

**2005 Regular Session
Senate Majority Office**

FOREWORD

This publication, prepared by the Senate Majority Office, provides an overview of the accomplishments of the Twenty-Third Legislature of the State of Hawaii during the recently completed Regular Session of 2005.

This edition consists of four sections:

- (1) The "Table of Contents" is a list of the measures as they appear in the publication. Arranged by Committee with measures categorized by broad topics and descriptive headings, it provides a convenient topical finding aid.
- (2) The "Digest" section is a summary review of the bills passed and concurrent resolutions adopted by both houses of the Legislature and resolutions adopted by the Senate. The bill digests were prepared in part from digests supplied by the Legislative Reference Bureau Systems Office. The measures are categorized by the Senate Standing Committee of first referral. Where applicable, Act numbers, vetoes, and veto overrides as of May 24, 2005 have been inserted.
- (3) The "Budget Summary" provides a narrative overview of highlights of the Executive Budget. For additional details, including a compilation of highlights for the operating budgets of the Judiciary and Office of Hawaiian Affairs, please refer to the "2005-2007 Biennium Operating Budget Highlights", dated May 6, 2005, prepared by the Committee on Ways and Means.
- (4) The "List of Measures Passed" section is a listing of all measures on which official final action was taken by the Legislature. The listing includes all bills and concurrent resolutions passed by both houses as well as resolutions adopted by the Senate, and includes the draft numbers as well as a short descriptive title for each measure. The measures are listed in numerical order by Committee of first referral.

The Legislative Accomplishments is intended primarily as a desk reference for quick access to summary information concerning bills and concurrent resolutions approved by the Legislature and resolutions adopted by the Senate. Users should refer to the actual measures and accompanying committee reports for details.

The Senate Majority Office
May 2005

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BUSINESS AND ECONOMIC DEVELOPMENT

Highlights of Accomplishments of the Senate Committee on Business and Economic Development

SB1721, CD1, directs the Hawaii Community Development Authority to designate and develop a permanent state cultural public market on state-owned land within the Kakaako Makai area of Oahu. The public market will showcase the rich cultural diversity of Hawaii's various ethnic groups, and will feature the host Hawaiian culture. This measure is intended to spur growth in the local economy by providing a retail outlet for local farmers and locally-owned businesses, along with a venue for residents and visitors alike to experience and learn more about the host Hawaiian culture and the other cultures found within the State. This Act instructs the HCDA to accept input from other state agencies, to consider the propriety of using public-private partnerships to develop and operate the public market, and provides guidelines for the facilities and services to be offered at the public market. The Act takes effect on October 1, 2005.

HB162, CD1, directs the State Procurement Policy Board to adopt administrative rules to promote the growth and development of Hawaii's small businesses. This Act is intended to provide opportunities for small businesses on Hawaii state and county contracts. Specifically, it requires set asides of contracts that are appropriate for performance by small businesses and adds the effective use of small business subcontractors to the criteria used to evaluate bids for large contracts. This measure also directs the policy board to adopt rules to redefine "small business" through detailed criteria that may include the number of employees and similar factors used by the U.S. Small Business Administration. The Act takes effect July 1, 2005.

Bills Passed

I. Business and Technology

State Cultural Public Market. (SB1721, SD2, HD2, CD1) Establishes a state cultural public market within the Hawaii Community Development Authority (HCDA) to promote cultural awareness, education, and preservation of the culture of native Hawaiian and other ethnic groups. Creates a venue for vendors and artists to showcase their products and their talents. Requires HCDA to develop State-owned land for the market, to determine the propriety of using public-private partnerships to develop and operate the market, and to develop and accept requests for proposals to develop and operate the market. Requires the public market to be located within the Kakaako Makai, Oahu area (see also SR46, SD1).

II. Planning and Management

Procurement Policy Board; Small Business Encouragement and Development. (HB162, HD2, SD1, CD1; Act 50) Establishes provisions relating to preference for small businesses, set asides, and the use of small businesses as subcontractors. Requires the State Procurement Policy Board to adopt rules to promote the growth and development of small businesses, including set asides for small businesses in appropriate classifications of requirements suitable for performance by small businesses and criteria designed to encourage the use of small businesses as subcontractors on large contracts. Redefines "small business" to mean an

independently-owned business that is defined by detailed criteria the policy board shall adopt pursuant to rules that may include the number of employees and similar measures used by the U.S. Small Business Administration. Amends provisions relating to duties of the chief procurement officer. Allows the chief procurement officer to impose mandatory evaluation criteria designed to encourage the use of small businesses as subcontractors on large contracts that are not conducive to performance by small businesses alone.

III. Recreation

Brewpubs; Off-Premises Consumption. (SB121, HD1, CD1) Permits brewpubs to sell malt beverages manufactured on the premises in brewery-sealed containers directly to Class 2 restaurant licensees. Authorizes the sale to consumers of malt beverages manufactured on the brewpub's premises in recyclable containers.

IV. Other Issues

Pearl Harbor Historic Trail. (SB1378, SD2, HD1, CD1) Establishes provisions relating to the Pearl Harbor historic trail. Designates the path that runs from Halawa landing to Waipahu as the Pearl Harbor historic trail.

Resolution(s) Adopted

International Pacific Asian Youth Baseball League Championship Tournament. (SCR155, SD1; SR87, SD1) Requests the Department of Business, Economic Development, and Tourism (DBEDT) and the Hawaii Tourism Authority (HTA) to convene a work group of interested parties to examine the feasibility of hosting an international Pacific Asian youth baseball league championship tournament in Hawaii. Requests DBEDT in consultation with the HTA to report its findings and recommendations along with any necessary implementing legislation to the 2006 Legislature.

State Cultural Public Market. (SR46, SD1) Urges the Department of Business, Economic Development, and Tourism to establish a permanent state cultural public market within the Hawaii Community Development Authority (HCDA). Requests the HCDA to consider the propriety of public-private partnerships in the development and operation of a permanent public market. Recommends creation of a single venue to promote cultural awareness and education, preservation of the culture of native Hawaiian and other ethnic groups, and for vendors and artists to showcase their products and their talents. (See also SB1721, SD2, HD2, CD1).

Uniform Statewide Building Code. (SCR17, SD2) Requests the Department of Accounting and General Services to convene a task force to explore the establishment of a uniform statewide building code for residential, commercial, and industrial uses, including elements of indigenous architecture, and to make appropriate recommendations.

Workforce Development; Economic Development. (SCR183, SD1) Requests the University of Hawaii to form and lead a task force to study the University's role in workforce development and economic development and to develop a plan to educate and train workers to sustain a vibrant and diverse economy. Requests the University to report its findings and recommendations to the 2006 Legislature.

COMMERCE, CONSUMER PROTECTION, AND HOUSING

Highlights of Accomplishments of the Senate Committee on Commerce, Consumer Protection, and Housing

In 2005, the Legislature approved an omnibus measure that implements various strategies to address the issue of the affordable housing shortage in Hawaii. **SB179, SD3, HD2, CD1**, among other things: (1) grants the counties flexibility to adopt land use density provisions that encourage the development of affordable rental housing; (2) authorizes tax incentives, including a general excise tax exemption for developers of affordable rental housing and conveyance tax exemption for documents conveying real property to developers of low-income housing and increasing the low-income housing tax credit; (3) facilitates use of the Rental Housing Trust Fund (RHTF) by: (a) relaxing affordability requirements and underwriting criteria; (b) allowing use of the RHTF for loans and grants; (c) expanding the pool of eligible RHTF applicants to include corporations, limited liability companies, and partnerships; and (d) abolishing the RHTF Advisory Commission to eliminate duplicative review processes; (4) authorizes use of the Dwelling Unit Revolving Fund for permanent primary or secondary financing; (5) declares a two-year moratorium on the demolition of decommissioned public housing projects and authorizes the offer of decommissioned housing to nonprofits or government agencies for rehabilitation into emergency or transitional homeless shelters or affordable rental housing; (6) effective July 1, 2006, establishes the Hawaii Housing Finance and Development Administration to administer the State's housing development and financing programs; and (7) establishes a joint legislative housing and homeless task force to further identify near-term solutions to Hawaii's affordable housing and homeless problem.

Act 164, Session Laws of Hawaii 2004, recodified the condominium property regimes law with respect to provisions of general applicability and those relating to condominium management. **SB1132, SD2, HD1, CD1**, completes the recodification process by establishing new provisions relating to the: (1) creation, alternation, and termination of condominiums; (2) registration and administration of condominiums; and (3) protection of condominium purchasers. Additionally, this measure facilitates the management of condominium association funds by repealing the prohibition on investment of funds in certificates of deposit purchased through a securities broker and on the purchase of investment products from out-of-state financial institutions. The repeal of the current condominium property regimes law and enactment of the new law takes effect on July 1, 2006.

Bills Passed

I. Commerce

Antitrust; Injunctive Relief. (SB702, SD2, HD1, CD1) Expands application of antitrust law to limited partnerships, limited liability partnerships, limited liability limited partnerships, and limited liability companies. Prohibits anti-competitive or monopolistic acquisitions and holdings of a person's stock, interest, or membership. Defines "control" as owning or having the power to vote 80% or more of any class of voting securities of the subsidiary, having the power to elect, by any means, a majority of the directors, or having the power to exercise a

dominant influence over the management policies of the subsidiary. Defines "subsidiary" to mean any person that is under control of a person. Authorizes a person who will or may be injured in the person's business or property to seek injunctive relief against a proposed merger or acquisition and allows an award of reasonable costs and expenses, including attorney's fees. Allows a court to order divestiture of a person's stock, interest, membership, or assets.

Business Action Center; Transfer from DBEDT to DCCA. (HB99, HD1, SD2; Act 62) Transfers the Business Action Center from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs. Requires all civil service-exempt positions other than supervisor, to be converted to civil service positions within one year. Allows the existing employees in these positions to compete for appointment to the civil service positions. Requires annual report to the Legislature and Governor.

Electric Utility Cooperative Association; Unclaimed Property. (HB769, HD3, SD2, CD1; Act 52) Exempts electric utility cooperative associations from requirements of the Uniform Unclaimed Property Act provided that the cooperative files with the Director of Finance an annual report of unclaimed property in its possession within 120 days after the close of the association's fiscal year and remains responsible for the payment of all claims for unclaimed property reported. Requires an electric utility cooperative association to transfer all non-escheat patronage refunds to a nonprofit corporation and establishes permitted uses of these refunds.

Financial Services Loan Companies; Fees. (SB1140, SD1; Act 38) Allows financial services loan company (FSLC) to charge a borrower a maximum \$20 returned check fee, subject to conditions that: (1) the fees be imposed under separate billing and not added to loan balance or deducted from loan payment; and (2) failure to pay the fee does not constitute a default under an outstanding loan agreement between the borrower and FSLC. Limits fees on consumer loans secured by real property to 1% of loan principal. Expands scope of permissible consumer loan-related fees to include fees for real property tax services and wire transfers.

Securities; Exemption; Rental Management Contract. (HB161, HD1, SD1) Exempts from the securities registration requirement an offer or sale by or through a state-licensed real estate broker or salesperson of a rental management contract relating to an apartment rental program in a condominium project, with or without the offer or sale of an apartment, including an interest in a legal entity formed for the purpose of apartment management or rental.

II. Consumer Protection

GENERALLY

Charitable Gift Annuities; Program Activities; Filing Deadline; Calculation of Segregated Assets. (SB693, SD1, HD1, CD1) Requires activities conducted in the State by nonprofit educational foundations or organizations issuing charitable gift annuities to be in the form of program services or fundraising activities. Requires compliance statement to be filed with the Attorney General on March 15 of each year. Requires the calculation of reserves in accordance with mortality tables and discount rates to be determined by the Insurance

Commissioner. Establishes that, in determining the appropriate reserve level, no surplus shall be required for any portion of a gift annuity that is reinsured by an authorized insurer.

Electronic Commerce; Anti-Phishing Task Force. (SB1170, SD2, HD1; Act 65) Establishes the Hawaii Anti-Phishing Task Force within the Department of the Attorney General to examine options to prevent electronic commerce-based crimes in the State. Requires the task force membership to include: (1) Attorney General or the Attorney General's designee; (2) Director of the Office of Consumer Protection; (3) United States Attorney for the District of Hawaii or the United States Attorney's designee; (4) two members of the Senate appointed by the President of the Senate; (5) two members of the House of Representatives appointed by the Speaker of the House of Representatives; (6) two members representing the financial services industry, one appointed by the President of the Senate and one appointed by the Speaker of the House of Representatives; (7) a member of the Honolulu Police Department's Criminal Investigation Division; and (8) a member of the Honolulu field office's United States Secret Service Electronic Crimes Unit.

Requires the task force to: (1) examine the policies, procedures, and operations of state agencies charged with the responsibility of developing policies to prevent electronic commerce-based crimes, monitoring electronic commerce-based criminal activity, and enforcing electronic commerce-based criminal sanctions; (2) review other jurisdictions' activities, policies, directives, and laws related to preventing electronic commerce-based crimes and derive best practices models therefrom; (3) explore any other options available to the task force to deter electronic commerce-based crimes from occurring in the State; and (4) establish findings and develop recommendations on how the State may best deter electronic commerce-based crimes from occurring in the State. Requires task force to report to the 2006 Legislature. Abolishes task force on 6/30/06.

Rental Motor Vehicle Surcharge Tax; Permanent Exemption. (HB390, HD1, SD2, CD1; Act 67) Permanently exempts a lessor from payment of the rental motor vehicle surcharge tax on a vehicle being leased to replace a vehicle under repair.

Roth IRA; Exempt from Seizure. (HB477, HD1, SD1, CD1) Exempts Roth Individual Retirement Accounts from attachment, execution, seizure, or the operation of bankruptcy or insolvency laws.

OCCUPATIONAL LICENSING

Architects; Continuing Education. (SB119, SD1; Act 2) Requires the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects to require 16 hours of continuing education (CE) in board-approved courses on public protection issues as a condition of license renewal for architects for licenses expiring on 4/30/08, and to conduct random audits of CE courses. Allows restoration of license that has expired for lack of CE, within 2 years of expiration, upon compliance with CE requirement and payment of renewal and penalty fees; thereafter, requires new application for licensure. Exempts from CE requirement licensee who (1) is an active duty military member deployed during state or national crisis; (2) is unable to meet CE requirement due to illness or disability for significant period of time; (3) can demonstrate undue hardship that prevents compliance with requirement; or (4) is retired and no longer practicing architecture.

No Rules Combat; Clarification. (SB768, SD1, HD1; Act 54) Defines "no rules combat, extreme or ultimate fighting" as a match or exhibition performed in the State, in which contestants: (1) are permitted to use a combination of combative contact techniques, including punches, kicks, chokes, joint locks, and other maneuvers, with or without the use of weapons; and (2) have received or are to receive, directly or indirectly, any money, prize, reward, purse, or other compensation, or promise thereof, for the expenses of training, for taking part in the contest, or for winning the contest. Permits no rules combat and extreme or ultimate fighting, (1) between medically fit adult contestants who are not disqualified from competing in another jurisdiction at the time of the match or exhibition; (2) pursuant to the promoter's rules or restrictions for the match or exhibition that protect the safety of contestants; (3) under the direction and control of an adult referee in the ring who has at least one year's experience in refereeing a match or exhibition involving a combination of combative techniques and who has passed a physical examination by a licensed physician, including an eye examination, within two years prior to the match or exhibition; (4) under the medical supervision of a state-licensed physician who is present at ringside; and (5) in a manner that will promote maximum safety for the contestants, to the extent feasible. Requires promoter seeking exemption to prohibition to submit documentation and \$500 fee to Department of Commerce and Consumer Affairs (DCCA) at least 30 days prior to match, and to be refunded if DCCA determines the match is prohibited. If the match is not prohibited, requires promoter to submit unedited video of match to DCCA within seven days of match. Establishes maximum \$10,000 fine for violation, including submission of false documentation. Establishes a rebuttable presumption in any proceeding that a violation has occurred. Authorizes DCCA to sue for injunctive relief and adopt administrative rules. Repeals current law defining and prohibiting "no rules combat".

Unlicensed Contractors; Cease and Desist Order; Fine. (SB1778, SD2, HD1, CD1) Requires a citation for unlicensed contracting to include an order to cease and desist from the unlicensed activity and to include notice of the sanctions for violating the order. Authorizes the Director of Commerce and Consumer Affairs to apply to a court for injunctive and other relief, including the imposition of a minimum fine of \$10,000 for each offense, against a person who violates a cease and desist order. Deems each day of violation a separate offense. Deems the allegations in a complaint conclusively established for purposes of a proceeding for permanent or temporary relief to enforce the cease and desist order.

PUBLIC UTILITIES

Electric Utilities; SPRBs. (SB1117, SD1, HD1, CD1) Authorizes the issuance of up to \$160,000,000 in special purpose revenue bonds to assist Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaiian Electric Light Company, Inc. in the continuation of multi-project capital improvement programs that include the acquisition of land, facilities used to produce electricity, transmission and distribution facilities, and other electric systems and facilities.

Public Service Company Tax; Private Sewer Companies. (SB1453, SD2, HD1, CD1) Imposes the public service company tax on private sewer companies by amending the definition of "gross income" in the public service company tax law to include gross income from the operation of a private sewer company or facility.

Wireless Enhanced 911 Fund; Emergency Appropriation. (HB556, SD1; Act 42) Makes an emergency appropriation of \$3,050,000 for fiscal year 2004-2005 from the Wireless Enhanced 911 Fund to reimburse public safety answering points and wireless providers for technical improvements and operating costs of the Fund.

III. Housing

Affordable Housing; Omnibus Legislation (SB179, SD3, HD2, CD1) Authorizes counties to provide flexibility in land use density provisions to encourage the development of rental housing complexes in which at least a portion of the rental units are set aside for persons and families with incomes at or below 140% of the area median family income, of which 20% are set aside for persons or families with incomes at or below 80% of the area median family income. Authorizes the Housing and Community Development Corporation of Hawaii (HCDCH) to approve and certify an exemption from general excise taxes for any qualified person or firm involved with a newly constructed or moderately or established rehabilitation project to provide affordable rental housing where at least 50% of the available units are for households with incomes at or below 80% of the area median family income and at least 20% of the available units are for households with incomes at or below 60% of the area median family income. Allows HCDCH to establish, revise, charge, and collect a reasonable service fee in connection with approvals and certifications.

Establishes priorities for projects funded by the Rental Housing Trust Fund (RHTF) in the following order: (1) projects or units in projects allocated low income housing credits in which (a) at least 50% of the available units are for households with incomes at or below 80% of the median family income; (b) at least 5% are set aside for households at or below 30% of the median family income; and (c) the remaining units are set aside for households at or below 100% of the median family income; and (2) mixed income rental projects or units in a mixed income rental project in which all of the available units are for persons and families with incomes at or below 140% of the median family income. Requires HCDCH to submit an annual report to the Legislature describing the projects funded and its efforts to develop low income rental housing projects for households with incomes at or below 30% of the median family income. Allows use of RHTF for loans and grants, and modifies underwriting guidelines. For the period 7/1/05 through 6/30/07, permits use of the RHTF to provide grants for rental units set aside for households with incomes at or below 30% of the median family income in any project financed in whole or in part thereby, in an amount proportionate to the number of affordable units compared to the number of total units. Requires report to Legislature at the end of the period. Repeals above provisions on 6/30/10.

Allows corporations, limited liability companies, and partnerships to apply for RHTF funding. Expands RHTF project preferences to include United States Department of Housing and Urban Development (HUD) mixed finance development of public housing units. Revises funding preference priorities to include projects that: (1) provide at least 5% of total units for households with incomes at or below 30% of the median family income; (2) provide the maximum number of units for households with incomes at or below 80% of the median family income; and (3) have favorable past performances in developing, owning, managing, or maintaining affordable rental housing. Increases low-income housing tax credit from 30% to 50% of the applicable percentage of the qualified basis of each building located in the State. Exempts from conveyance tax document or instrument conveying real property to nonprofit or for-profit organization certified by HCDCH for low-income housing development.

Authorizes HCDCH to offer decommissioned state low-income public housing projects to nonprofit organizations or government agencies for rehabilitation into emergency or transitional shelter facilities for the homeless or into rental units that set aside at least 50% of rental units for households with incomes at or below 50% of the area median family income, provided: (1) the housing project is wholly owned by the State on state-owned or ceded lands; (2) HCDCH has determined that project is no longer suitable for its original use and intends to demolish it; (3) HCDCH has determined the project is ineligible for rehabilitation; and (4) the receiving organization has demonstrable rehabilitation expertise and the resources to substantially finance the rehabilitation. Authorizes 99 year leases at \$1 per year. Declares a moratorium on the demolition of all decommissioned housing projects administered by HCDCH for two years or until such time that the housing projects may be offered for rehabilitation to nonprofit organizations and government agencies.

Requires HCDCH, as a condition of continued homeless shelter contracts, to require all homeless shelter provider agencies to submit an annual report that contains statistical information to enable HCDCH to measure the effectiveness of contracted services in transitioning homeless into permanent housing.

Authorizes HCDCH to develop or assist in the development of housing projects exempt from all statutes, ordinances, charter revisions, and rules that primarily or exclusively include housing units affordable to households with incomes at or below 140% of the median family income. Authorizes use of the Dwelling Unit Revolving Fund for permanent primary or secondary financing.

Effective 7/1/06, establishes the Hawaii Housing Finance and Development Administration (HHFDA) within the Department of Business, Economic Development, and Tourism (DBEDT) to administer the State's housing development and financing programs. Creates HHFDA board of directors. Requires agency to establish housing advocacy and information system and authorizes housing research and counseling programs. Transfers to HHFDA the rights, powers, functions, and duties of HCDCH relating to state housing and financing programs, except for the state rent supplement and state sales housing programs. Transfers personnel, and records, equipment, and other personal property, from HCDCH to HHFDA. Establishes HHFDA in place of HCDCH in chapter 201G, HRS, and in related statutory provisions. Amends composition of HCDCH board by increasing public seats from six to eight, eliminating seats for the RHTF Advisory Commission chairperson and DBEDT director. For one year, requires one board member to represent the continuum of care systems. Repeals the RHTF advisory commission.

Establishes a joint legislative housing and homeless task force to further identify near-term solutions to Hawaii's affordable housing and homeless problem. Allows the task force to: (1) inventory all state lands used for low-income and public housing, determine the condition of the units on the lands, and determine whether other state lands are available and suitable for the development of homeless transitional shelters or low-income rental housing; (2) inventory and determine the condition of all public and private low-income rental housing units; (3) determine the number of decommissioned units still in existence and whether those units could be used if repaired or renovated; (4) develop strategies for public partnerships with private and nonprofit entities to renovate housing units and develop low-income rental housing and homeless facilities; (5) develop strategies and incentives for public partnerships with private and nonprofit entities to develop moderate-income affordable ownership homes and lower-income rental units; (6) develop strategies to streamline the permitting and

approval process and address infrastructure barriers to development of new housing projects; (7) determine the role of the Land Use Commission in the approval process for affordable housing projects; and (8) consider other matters relating to housing and the homeless that the task force deems appropriate. Further authorizes task force to review performance and hold public hearings on operations of HCDCH. Requires report to 2006 Legislature.

If prior to 7/1/07, HUD declares HCDCH to be in substantial default of the 9/3/04 Memorandum of Understanding, requires transfer of housing special funds from HCDCH to the Department of Budget and Finance (BUF). Within 10 days of a declaration, requires the Governor to inform the President of the Senate, the Speaker of the House of Representatives, and the Acting Director of the Legislative Reference Bureau of the declaration and effective date of transfer, and to issue a public notice thereof. Designates BUF as the state credit housing agency for purposes of the low-income housing credit program. Repeals above provisions on 7/1/07.

Requires HCDCH to develop and report to the 2006 Legislature on an implementation plan for reorganization of the State's housing functions.

Condominium Association Boards; Election and Removal; Cumulative Voting. (SB1798, HD1, CD1) Requires condominium association bylaws to require a majority vote of apartment owners to remove and replace an association board director. Authorizes cumulative voting if permitted by the bylaws and if notice is given by an owner of the owner's intent to utilize cumulative voting prior to the commencement of voting.

Condominium Association Minutes; Review by Owners (SB1348, SD1, HD1, CD1) Authorizes apartment owners, as an alternative to reviewing board meeting minutes on the project premises, to request and receive within 15 days of the request's receipt, copies of the minutes by mail, electronic mail, or facsimile, subject to payment of a reasonable administrative fee.

Condominium Association Records; Retention and Review. (SB1349, SD1, HD1, CD1) Requires a condominium association board to make the association's business and financial records available for review by apartment owners for as long as those records are maintained by the association.

Condominium Management Dispute; Administrative Hearing; Scope (SB1345, SD1) Establishes that in an administrative adjudication of a condominium management dispute that was previously mediated, the hearing officer may hear any matter that was the subject of mediation.

Condominium Recodification. (SB1132, SD2, HD1, CD1) Establishes a definition for "structure" in the new condominium law enacted in Act 164, Session Laws of Hawaii 2004. Recodifies the condominium laws relating to: (1) creation, alteration, and termination of condominiums; (2) registration and administration of condominiums; and (3) protection of condominium purchasers. Repeals the prohibition on investment of condominium association funds in certificates of deposit purchased through a securities broker and on the purchase of investment products from out-of-state financial institutions. Repeals chapter 514A, HRS. Delays the repeal of the current condominium law and the effective date of the new condominium law to 7/1/06.

HCDCH; Housing Development Contracts; Puukolii Village. (SB117, HD2, CD1) Authorizes the Housing and Community Development Corporation of Hawaii (HCDCH) to amend housing development contracts executed by its predecessor agency, the Housing Finance and Development Corporation. Authorizes affordable housing requirements for certain undeveloped parcels in Puukolii Village in Maui County to be established by agreement by the developer, HCDCH, and the County. Requires the affordable housing requirements to include a requirement for housing affordable to households earning up to 120% of the county median income.

Leased Fee Interest Sale; Capital Gains; Income Tax Deduction. (HB1554, HD2, SD2, CD1) Establishes income tax deduction for 50% of income derived by fee owner from sale of leased fee interest in: (1) multi-family residential leasehold property to multi-family residential leasehold unit lessee; or (2) residential leasehold house lot to house lot lessee. Limits exclusion to \$75,000 in the aggregate for all taxpayers in any tax year. Applies to taxable years beginning after December 31, 2005, and ending prior to January 1, 2007.

Leased Fee Interest Sale; Right of First Refusal. (SB1336, SD1, HD1) Establishes that a condominium association's or cooperative housing association's right of first refusal on the sale of a leased fee interest in land under a condominium or cooperative project does not apply to a sale between co-lessors, if all of the lessors qualify as tax-exempt charitable organizations.

Mandatory Leasehold Conversion; Exemption; Sustainable Affordable Housing. (HB931, HD2, SD2, CD1) Prohibits sustainable affordable development lessee from exercising condemnation rights under Hawaii Land Reform Act (Act), but allows lessee to exercise right for reversion of improvements, subject to limitations. Requires lessor of a sustainable affordable development claiming exemption from condemnation under the Act to certify the lessor's qualifications for exemption at the time of delivery of first sustainable affordable lease by filing affidavit with the Registrar of Conveyances or Assistant Registrar of the Land Court. Requires affidavit to: (1) declare percentages of residential lots with initial sales prices limited to allow purchases by households earning not more than required percentage of median income for applicable county and spending not more than allowable percentage of their gross income for housing, and setting forth state or county approval if percentage is less than 30%; (2) declare percentages of residential lots with initial and resale sales prices limited to 80% of fair market value of residential lots in fee, and setting forth state or county approval if percentage is less than 51%; and (3) set forth lease provisions that limit resale price of residential lot and entitle lessor to a share of the appreciation in the lot. Requires sustainable affordable development lessor to maintain during the term of all sustainable affordable leases records regarding income levels and other qualifications of buyers of sustainable affordable leases at the time of purchase. Prohibits the University of Hawaii at Manoa from creating a sustainable affordable development. Establishes qualifications for sustainable affordable development and sustainable affordable lease. Prohibits sustainable affordable development lessee from exercising lease renegotiation rights under chapter 519, HRS, relating to real property leases.

Public Housing; Terminology Clarified. (SB797, SD1, HD1, CD1) Repeals definition of "housing project" or "project" in laws governing the Housing and Community Development Corporation of Hawaii (HCDCH) and replaces the terms with the terms "public housing project" or "complex". Makes other technical "housekeeping" amendments, including eliminating inconsistencies in the law governing the sale of state housing units.

Time Share Interest; Foreclosure Under Power of Sale. (HB785, HD1, SD1, CD1) Establishes requirements for foreclosure of a time share interest under a power of sale. Requires mortgagee to provide written notice of intent to foreclose upon and sell the mortgaged time share interest: (1) by certified mail, return receipt requested, to the mortgagor at the mortgagor's last known address for mortgagors whose address is within the United States; (2) by mail to the mortgagor at the mortgagor's last known address, for mortgagors whose address is outside the United States; and (3) by publication once in each of 3 successive weeks, the last publication to be not less than 14 days before the day of sale, in a newspaper of general circulation in the county in which the mortgaged time share interest lies. Requires mortgagee to file copy of notice with Director of Taxation and post notice on the time share interest premises not less than 21 days before the sale. Permits sale after 4 weeks from date of publication of first notice. Requires mortgagee to file copy of notice of sale and mortgagee's affidavit of compliance with sale requirements with Bureau of Conveyances within 30 days of sale, and Registrar of Conveyances to record and index affidavit and copy of notice. Authorizes a mortgage creditor having a mortgage lien on a time share interest to submit a written request to another mortgage creditor having a mortgage lien on the time share interest of the latter's intent to foreclose upon and sell the mortgaged interest, and establishes requirements for request. Requires mortgagee receiving request to give notice not less than 7 calendar days prior to day of sale. Requires admission of certified copy of affidavit as evidence that the power of sale was duly executed. Limits application of above power of sale requirements to mortgages, loans, agreements, and contracts that authorize foreclosure by power of sale.

IV. Insurance

Captive Insurers; Affiliated Entities; Service of Process; Risk Retention Captive; Examination. (SB1802, SD1; Act 31) Redefines the term "affiliated company" as "affiliated entity" in the captive insurance law and makes conforming amendments throughout the law. Clarifies requirements for service of process upon captive insurer by cross referencing insurance code provision establishing requirements for service of process upon the Insurance Commissioner (Commissioner) as an agent of an insurer. Repeals prohibition on the ownership of more than 10% of outstanding stock by stockholder of risk retention captive insurer. Allows the Commissioner to allow an examination of the captive insurer to be conducted every five years provided that the Commissioner has completed at least one triennial exam.

Insurers; Compliance Resolution Fund Assessment; Captive Insurance Administrative Fund. (HB160, HD2, SD1, CD1) Establishes a formula for insurer assessments for the Compliance Resolution Fund (CRF) based on the Insurance Commissioner's (Commissioner's) proposed fiscal year budget, less funds in the insurance regulation sub-account of the CRF on June 30 of the fiscal year immediately preceding the fiscal year of the proposed budget, and the Commissioner's anticipated revenues. Establishes a \$5,000,000 ceiling on total annual CRF insurer assessments. Repeals the requirements that the Commissioner transfer moneys from the Captive Insurance Administrative Fund (CIAF) to the CRF and that all moneys remaining in the CIAF revert to the General Fund. Allows CIAF moneys to be used for administrative and personnel costs. Requires the Auditor to conduct a financial and management audit of the insurance regulation sub-account of the CRF and to report to the 2008 Legislature. Appropriates \$1,500,000 for each year of the 2005-2007 fiscal biennium for the operating expenses of the Captive Insurance Branch and for the development of the captive insurance industry.

Insurers; Examination; Suspension of Certificate of Authority; Recovery of Premiums Owed; Interstate Insurance Product Regulation Commission. (SB754, SD1, HD1, CD1) Repeals requirement of triennial examination of all domestic insurers. Allows additional suspensions or revocation of an insurer's certificate of authority. Repeals one-year limit on suspension of insurance adjuster or bill reviewer license. Requires two printed and one copy of policy revisions to be transmitted by electronic, telephonic, or optical means to be filed with the Insurance Commissioner (Commissioner), including an analysis of the impact of each revision on the rates. Authorizes a liquidator to hold hearings to determine whether assets of the insurer have been concealed, misappropriated, or improperly transferred. Clarifies that an insurance producer or premium finance company is required to pay to the liquidator unpaid collected premiums and an insured is required to pay unpaid, earned premiums due the insurer, upon the liquidator's written demand. Repeals requirement of administrative hearing before Commissioner may take administrative action against producer or premium finance company for recovery of premiums owed. Establishes original, but not exclusive, jurisdiction over civil proceeding for the recovery of premiums in First Circuit Court, and allows proceeding to be referred to judge presiding over insurer's delinquency proceeding. Requires the Interstate Insurance Product Regulation Commission, within ten days of its receipt of notice of the introduction of legislation in a compacting state to repeal the compact, to notify the other compacting states thereof.

Resolution(s) Adopted

Electrical and Plumbing Licensing Laws; Enforcement; Task Force. (SCR49, SD1; SR24, SD1) Requests the Department of Commerce and Consumer Affairs (DCCA) to convene a task force to review DCCA's current efforts and practices in the enforcement of the State's electrical and plumbing licensing laws and to develop strategies to improve and strengthen these efforts and practices. Requests the task force to be comprised of representatives of the International Brotherhood of Electrical Workers Local 1186, Plumbers-Fitters Local 675, Electrical Contractors Association of Hawaii, Plumbers and Mechanical Contractors Association of Hawaii, Board of Electricians and Plumbers, and Regulated Industries Complaints Office. Requests a report on the task force's findings and recommendations prior to the 2006 Regular Session.

Federal Policies to End Homelessness. (HCR3, HD1, SD1) Urges the President and the United States Congress to support federal policies aimed at ending homelessness in the United States.

Hawaii Insurance Bureau Fire Rating Program. (HCR113) Requests the Insurance Commissioner, Hawaii Insurers Council, and Hawaii Insurance Bureau (Bureau) to submit reports to the 2006 Legislature on the effectiveness of the Bureau's fire rating program. Requires reports to include responses as to: (1) how soon after a change in the fire protection status the Bureau revises its classification; (2) why insurers are not required to use the Bureau's fire classifications in establishing rates; and (3) the impact the Bureau's fire classification procedures have had on homeowners' insurance.

Interstate Compact on Perils Affecting Property and Casualty Insurance Costs. (HCR4, HD1)

Requests the Insurance Commissioner to investigate the advisability of entering into an interstate compact with other states concerning perils that affect the cost of property and casualty insurance. Requests report prior to 2006 Regular Session.

NCOIL Property-Casualty Insurance Modernization Act; Review. (HCR83)

Requests the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA) to conduct a review of the National Conference of Insurance Legislators Property-Casualty Insurance Modernization Act, as amended on 11/21/03. Requires the Insurance Commissioner to convene a working group to conduct the review comprised of the Directors of DCCA and the Department of Business, Economic Development and Tourism, and representatives of the Hawaii Insurers Council, State Farm Insurance Companies, and Consumer Lawyers of Hawaii. Requests a report to the 2006 Legislature.

Professional and Vocational Licensing; Comparative Analysis. (HCR156; SR55)

Requests the Auditor to conduct a comparative analysis of professional and vocational regulation in other states and in Hawaii, that includes a review of educational, testing, experience, and other requirements, and that determines whether these requirements are necessary to protect the health, safety, and welfare of consumers. Requests the Auditor to report prior to the 2006 and 2007 Regular Sessions.

Regulation of Condominium Association Managers; Sunrise Review. (HCR204)

Requests the Auditor to conduct a review under the Hawaii Regulatory Licensing Reform Act of the regulation of condominium association managers, as proposed by S.B. No. 1454 (2003). Requests report prior to the 2006 Regular Session.

Regulation of Payday Lenders and Deferred Deposit Check Cashers; Sunrise Review. (HCR172, HD1)

Requests the Auditor to conduct a review under the Hawaii Regulatory Licensing Reform Act of the regulation of payday lenders and deferred deposit check cashers, as proposed by S.B. No. 1413 (2005). Requests report prior to the 2006 Regular Session.

EDUCATION AND MILITARY AFFAIRS

Highlights of Accomplishments of the Senate Committee on Education and Military Affairs

SB1643, SD2, HD2, CD1, commonly referred to as the charter school omnibus bill, essentially made clarifying amendments to charter school statutes. The focus of the measure clarifies that all new century charter schools are public schools and should be afforded the same benefits and financial support as the other public schools. Specifically, this measure provides for a more equitable and fair administrative and financial structure for charter schools. Furthermore, this measure addresses the inadvertent reductions in funding allocations to charter schools and clarifies that charter schools and their employees are authorized to participate in the State's workers' compensation system and should be allocated funds for fringe benefits and collective bargaining. Charter school employees are also provided with a system to move more freely between charter schools and the Department of Education public schools. Another discrepancy that this measure attends to is the type of exemptions that may reasonably be granted to charter schools. The Attorney General and Auditor have found ambiguity on the issue of which public laws the charter schools are exempt from. This measure also establishes a task force on charter school governance to identify and recommend to the Legislature revisions to the existing charter school law, to help create an effective framework for overseeing and supporting new and existing charter schools. In particular, the task force is required to review the limitation of charter school exemptions from laws to only those laws applying to public schools.

HB844, HD1, SD2, CD1, implements programs and makes amendments to encourage teacher retention and recruitment. Along with the rest of the nation, Hawaii is experiencing a teacher shortage. This measure recognizes that effective teaching is of critical importance in the development of a successful educational system. The teacher cadet program this measure establishes works with all of the major Hawaii-based teacher training programs and attempts to identify and support prospective teachers while they are still in their high school years. As for those who have chosen to study education at the university level, this measure provides for an increase in faculty at the University of Hawaii College of Education and requires the review of their admissions standards to consider allowing freshman students to declare education as their major to help them graduate sooner. To directly address recruitment obstacles, the Department of Education is required to establish policies for enabling newly hired employees to receive their first paycheck in a timely manner. Additionally, the Hawaii Teacher Standards Board is required to adopt policies that allow the licensing of more individuals by considering candidates with practical experience or who are teachers from other states. This measure also clarifies licensure requirements on a state-by-state basis for out-of-state licensed teachers.

Bills Passed

I. Education

CHARTER SCHOOLS

New Century Charter Schools; Funding Mechanisms; Omnibus. (SB1643, SD2, HD2, CD1) Clarifies the new century charter school statutes. Amends definitions to clarify that new century charter schools are public schools under the Board of Education. Requires the charter school implementation plan to include identifying, recruiting, and retaining highly qualified instructional faculty; a governance structure that incorporates a conflict of interest

policy and a plan for periodic board training; and a financial plan based on the most recent fiscal year's per pupil charter school allocation. Authorizes the Board of Education to issue a charter upon recommendation of the new century charter school review panel. Requires the State to afford administrative, support, and instructional staff in charter schools full participation in the State's system for retirement, workers' compensation, unemployment insurance, temporary disability insurance, and health benefits. Establishes and clarifies protocol for the movement of personnel between charter schools and the Department of Education. Authorizes charter schools to establish an alternative weighted student formula applicable to the per pupil allocation for charter schools. Exempts charter schools from public agency and meetings and records law. Requires that employees included in collective bargaining increases shall be allocated by the Department of Budget and Finance to the Charter School Administrative Office for distribution to charter schools. Exempts the Charter School Administrative Office from the procurement code. Requires the Board of Education to adopt guidelines for multi-year evaluations of charter schools that have been chartered for four or more years, or for special evaluations at any time, including a schedule of such evaluations and for placing new century charter schools on probation. Authorizes the Board of Education to hire the executive director for the administrative office on a multi-year contract. Establishes a task force on charter school governance to identify and recommend to the Legislature revisions to the existing charter school law and to assist in creating an effective framework for overseeing and supporting new and existing charter schools. Appropriates \$50,000 for the task force for fiscal year 2005-2006. Requires fringe benefit costs to be included in the Department of Budget and Finance's annual budget request and prohibits fringe benefit costs to be charged directly to or deducted from the charter school per pupil allocation. Requires the Department of Education to provide the Charter School Administrative Office with all federal grant proposals and timely reports on federal grants received. Appropriates \$1,200,000 for fiscal year 2005-2006 and \$1,500,000 for fiscal year 2006-2007 for EDN 600. Requires the Department of Human Resources Development to administer workers' compensation claims for employees of new century charter schools. Requires special education programs and services for special education students to be determined collaboratively by the student's individualized education program team and the student's parents or legal guardian. Requires the Department of Education to provide required special education services if the new century charter school is unable to do so.

FACILITIES

Asbestos Testing; Schools. (HB1295, HD2, SD2, CD1) Requires the Department of Education to ensure that asbestos testing is conducted prior to any exterior or interior renovations or painting of school facilities at all schools, except charter schools, if they have not previously been tested.

Impact Fees; Working Group. (SB1814, SD2, HD2, CD1) Establishes a school impact fee working group attached to the Office of the Auditor. Requires the working group to examine the background of the salient issues, including an investigation and evaluation of the 2001 report of Group 70, Inc. and Duncan Associates entitled "School Fair Share Contribution Study"; the 1992 study entitled "Impact Fees in Hawaii: Implementing the State Law"; the differing school facility infrastructure needs posed by infill and new development, condominium, duplex, detached single family homes, and other types of construction, and the varied market prices targeted by differing types of developments; various funding mechanisms and other best practices utilized by other jurisdictions nation wide; current practices engaged in by the Department of Education to assess and collect fair share

contributions and any other relevant means of resource acquisition; potential means of funding; and how to improve the Department of Education projections for future facilities to be better aligned with various county plans and priorities. Requires the working group to conduct a case study in central Oahu on how these issues and proposals may affect a specific, contiguous geographic area that is slated for ongoing, complex, and varied development which will probably result in the need for increased Department of Education facility capacity. Appropriates \$150,000 for fiscal year 2005-2006 for the working group. Repealed on 7/30/06.

School Facilities; Capital Improvement Projects; Appropriation. (SB1660, SD2, HD1, CD1)

Establishes the education design and construction project assessment fund as a revolving fund in the Department of Education. Establishes that the fund shall be used for defraying costs in carrying out construction projects; managing funds representing accumulated vacation and sick leave credits and retirement benefits for non-general fund employees in the construction program; collecting equitably and distributing the costs of other current expenses associated with capital improvement, repairs and maintenance, and repairs and alterations projects; and managing the payments of employee transportation requirements such as car mileage reimbursements. Requires the Superintendent of Education to assess construction projects managed by the department based on the superintendent's evaluation of the costs of services for capital improvement, repairs and maintenance, and repairs and alterations projects and deposit the assessments into the fund. Authorizes the transfer of control over the state educational facilities improvement special fund from the Comptroller to the Superintendent of Education. Authorizes the Department of Education to oversee the operation and maintenance of capital improvement projects instead of the Department of Accounting and General Services. Appropriates \$4,000,000 for each year of the 2005-2007 fiscal biennium for the education design and construction project assessment fund.

FUNDING

Autism Spectrum Disorder; School-Based Behavioral Health Services; Emergency Appropriation. (SB778, SD1; Act 6) Appropriates \$11,672,564 for fiscal year 2004-2005 to the Department of Education for increased costs due to an increase in required services to students with autism spectrum disorder and for school-based behavioral health services.

Federal Revenue Maximization; Medicaid; School Health Services. (SB1394, SD2, HD2, CD1)

Requires the Department of Education to establish a federal revenue maximization program for medicaid-eligible claims for school health services with the assistance of the Department of Human Services and Department of Health. Requires the Department of Education to identify medicaid-eligible health services it provides to students. Requires the Department of Health to identify sources of funding for the establishment and provision of school-based or school-linked health services at schools in federally designated underserved areas. Requires reports by the Department of Education to the Legislature until 2010.

School Lunch; Price Calculation. (HB843, HD1, SD1, CD1; Act 71) Establishes that the price for school lunch shall be set by the Department of Education to ensure that moneys received from the sale of the lunch may be up to half the cost of preparing the lunch. Requires the price to be based on the average cost of preparing the school lunch over the three years preceding any increase.

Workforce Development Council; Appropriation. (HB841, SD2, CD1) Includes the private business section chairpersons of the four County Workforce Investment Boards as members of

the Workforce Development Council. Appropriates \$1,000,000 for each year of the 2005-2007 fiscal biennium to subsidize information systems projects, provide additional support personnel and training, provide additional data processing systems analyst IV and V positions, and continue the implementation of Act 51, Session Laws of Hawaii 2004 (the Reinventing Education Act of 2004).

PUBLIC SCHOOL ADMINISTRATION; STRUCTURE

Meal Count Assistants, Adult Supervisors, and Classroom Cleaners; Minimum Wage. (HB758, HD2, SD2) Requires the wages of meal count assistants, adult supervisors, and classroom cleaners of the Department of Education to be no less than the minimum wage.

School Community Council; Responsibilities. (SB1253, SD1, HD1, CD1) Clarifies a school community council's responsibilities. Requires that the school community council ensure that the school's academic and financial plans are consistent with the educational accountability system.

School-to-Work; Executive Council. (SB1249; Act 19) Repeals the Hawaii School-to-Work Executive Council.

SPECIAL PURPOSE REVENUE BONDS; PRIVATE SCHOOLS

Hualalai Academy; SPRBs. (HB1555, HD1, SD1, CD1) Authorizes the issuance of not more than \$30,000,000 in special purpose revenue bonds to assist Hualalai Academy to finance the planning, acquisition, construction, and improvement of its educational facilities.

Waimea Country School; SPRBs. (SB1483, SD1, HD1, CD1) Authorizes the issuance of not more than \$10,000,000 in special purpose revenue bonds to assist Waimea Country School to finance and refinance the planning, acquisition, construction, and improvement of its facilities.

STUDENTS

Early Childhood Education; Task Force; Facilities. (HB1300, HD2, SD2, CD1) Establishes the temporary early childhood education task force in the University of Hawaii. Requires the Hawaii Educational Policy Center to be responsible for administering the work of the task force. Requires the task force to propose an overall plan to increase access to early childhood education opportunities for families; develop plans and identify resources needed to improve the quality and services of early childhood learning programs; design proposals to support the professional development of early childhood education staff; create an implementation plan to motivate and promote the value of participation in early childhood learning opportunities for parents and the general public, including the business community; and recommend to the Legislature a conceptual framework, along with proposals, policies, and legislation necessary to facilitate and monitor the implementation of such framework. Appropriates \$50,000 for fiscal year 2005-2006 for the operations of the task force. Requires the Department of Education to identify unused public school facilities for use by early childhood education programs. Repeals the task force on 6/30/06.

Student Substance Abuse Assessment Referrals; Department of Education Policies. (SB1816, SD2, HD2, CD1) Authorizes a student to return to school earlier than the Department of Education's original disciplinary determination if the child gives the school evidence that a

substance abuse assessment has been completed and the student is progressing toward clinical discharge from any substance abuse treatment or counseling recommended by the assessment, or if the substance abuse assessment finds that the student does not need treatment or counseling and provides a certified copy of the assessment and the student's parent or legal guardian consents to the student receiving follow up counseling or other student support services. Establishes a student substance abuse assessment and treatment advisory task force in the Department of Health to review the process by which a child who violates the zero tolerance policy for drugs and alcohol in public schools is referred for assessment and treatment of substance abuse and excluded from school. Requires the task force to report findings and recommendations to the Legislature before the 2006 Regular Session. Establishes that the task force shall cease to exist on 6/30/06.

Students; Administering Medication. (HB1550, HD1, SD1, CD1) Requires the Department of Education to permit its employees and agents to volunteer to administer glucagon in an emergency situation to students with diabetes. Requires written certification from the student's physician and instruction by a qualified health care professional.

Students with Disabilities; Administrative Hearings. (SB1661, SD2, HD2, CD1) Requires an administrative hearing to be requested within two years of the date the parent or guardian of a student with a disability or Department of Education knew or should have known about the alleged action that formed the basis of the request for the hearing, or within ninety days of a unilateral special education placement, where the request is for reimbursement of the costs of the placement. Exempts the parent or guardian from the time limits on requesting a hearing when the failure to request the hearing was due to the misrepresentation or withholding of information by the department.

TEACHERS

Department of Education; Teachers' Housing. (SB639, SD2, HD1, CD1) Transfers the administration of the teachers' housing program from the Housing and Community Development Corporation of Hawaii to the Department of Education. Establishes the teachers' housing revolving fund to be used for teachers' housing, including planning construction, maintenance, operations, and salaries of necessary personnel.

Public School Teachers; Shortage; Retention. (HB844, HD1, SD2, CD1) Establishes the Hawaii Teacher Cadet Program and creates a separate fund for the Hawaii Alliance for Future Teachers, a Hawaii nonprofit organization, which can expend money from the fund through grants or contracts to provide programs for students who possess a high level of academic achievement and the personality traits found in good teachers to consider teaching as a career. Establishes an advisory board to solicit and raise money for the fund, establish criteria for the expenditure of funds, review grant proposals, and make recommendations for grants and other expenditures. Requires the University of Hawaii to review its College of Education's admission standards and consider allowing entering freshman to declare education as their major to enable them to graduate within four years. Requires the university to increase full time equivalent teacher education faculty positions by an additional five positions each year until fiscal year 2014-2015. Requires the Department of Education to establish policies to enable newly hired employees to receive their first paycheck in a timely manner. Authorizes the department to disburse partial paychecks to the newly hired employees. Requires the department to provide new teachers with new teacher orientation handbooks. Establishes a statewide Teacher Induction Program available to every newly hired teacher. Requires the Hawaii Teacher Standards Board to adopt policies that allow the licensing of more individuals

with practical experience for vocational or technical programs; develop a plan to accept teachers from other states; clarify licensure requirements on a state-by-state basis for out-of-state licensed teachers; develop a plan to facilitate licensing for those who intend to teach in Hawaii immersion programs; and pursue full teacher license reciprocity with the mid-Atlantic states, California, Colorado, Illinois, Michigan, New York, Oregon, and Washington. Requires the Hawaii Teacher Standards Board to review alternative licensing requirements to replace PRAXIS examination requirements. Authorizes the Hawaii Teacher Standards Board to convert its nine temporary positions to permanent full time equivalent positions. Appropriates \$50,000 for fiscal year 2005-2006 for the operation of the Hawaii Teacher Standards Board.

II. Military Affairs

Hawaii Medal of Honor. (HB8, HD1; Act 21) Establishes a Hawaii Medal of Honor to be rewarded on behalf of the people of the State of Hawaii to an individual who has been killed in action while engaged in an action against an enemy of the United States; engaged in military operations involving conflict with an opposing foreign force; serving with friendly foreign forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party; or serving in a combat zone as designated by presidential order. Establishes qualifications for recipients of the medal. Requires the medal to be awarded solely by a concurrent resolution adopted by the Legislature.

Hawaii State Veterans Cemetery; University of Hawaii; Military Students; Uniform Maintenance Allowance Direct Deposit. (HB115, HD1, SD2, CD1) Appropriates \$131,200 for fiscal year 2005-2006 and \$56,250 for fiscal year 2006-2007 to address soil problems at the Hawaii State Veterans Cemetery, provided that a portion of the 2005-2006 appropriation shall be used for casket liners. Requires the University of Hawaii to establish a program to allow returning military personnel the right to retain their admission to the university's programs, including students that were admitted into programs but did not enroll due to their deployment. Requires the individuals to be returning from a tour of duty and identify the previous acceptance to the appropriate campus registrar. Authorizes enlisted personnel of the Army or Air National Guard who receive a uniform maintenance allowance from the State Department of Defense to designate a financial institution account into which the Department of Accounting and General Services is authorized to deposit that member's allowance.

Hawaii Veterans' Newsletter; Appropriation. (HB1029, SD2) Appropriates \$30,000 for fiscal year 2005-2006 to publish the Hawaii veterans' newsletter and update the Office of Veterans' Services database.

Professional and Vocational License Extension; Deployed Military Personnel. (HB295, HD2, SD2, CD1) Authorizes any license held by a member of the armed forces, national guard, or a reserve component that expires, is forfeited, or deemed delinquent, while the member is on active duty and deployed during a state or national crisis, to be restored under specified restoration guidelines.

Resolution(s) Adopted

I. Education

FUNDING

Even Start Family Literacy Program; Federal Funding. (HCR208, HD1) Urges the President of United States, the United States Congress, and the United States Department of Education to continue funding for the Even Start Family Literacy Program.

PUBLIC SCHOOL ADMINISTRATION; STRUCTURE

Edible School Gardens; Curriculum. (SR7, SD1) Requests the Department of Education and Hawaii Association of Independent Schools to promote policies that permit edible school gardens and integrate them into school curricula. Requests the department to submit a report on the number of schools that have established edible school gardens and the progress of implementing the gardens into school curricula to the 2007 Legislature.

Educational Service Agencies; Pacific Resources for Education and Learning. (HCR199) Recognizes the achievements of Pacific Resources for Education and Learning and supports its designation as an educational service agency.

No Child Left Behind Act. (HCR245, HD1) Requests the United State Congress to amend the No Child Left Behind Act of 2001 according to the recommendations of the final report of the National Conference of State Legislatures' task force on No Child Left Behind. Requests more flexibility for states to continue toward the goal of closing the achievement gaps without threat of losing federal funds. Requests consistent funding for education programs and expanded information systems needed to accurately reflect student, school, and school district performance and costs for ensuring student proficiency. Requests amendments to the Act to apply sanctions only when the same groups or subgroups within a grade level fail to meet adequate yearly progress targets in the same subject area for two consecutive years.

No Child Left Behind Act; Performance Based Contracts. (SCR191, HD1) Requests the Department of Education to include performance-based incentives when contracting with education service providers for school restructuring under the No Child Left Behind Act of 2001. Requests the department to submit a report to the 2006 Legislature detailing the restructuring of the twenty-four schools that did not meet state standards for English and math.

School Transportation; Extra-Curricular Activities; Summer School. (HCR101) Requests the Department of Education to provide a cost analysis on providing transportation for public school students for summer school and extra-curricular activities. Requests the analysis to include a breakdown by departmental school district, by middle school, by high school, and for all charter schools.

Volunteers; Education. (SR103) Requests the Board of Education and the Department of Education to develop and establish a volunteer recognition program in each school district to promote the value of and appreciation for volunteers.

Volunteers; Education. (HCR273, HD1) Requests the Board of Education and the Department of Education to develop and establish a volunteer recognition program for volunteers in each school district and across the State.

STUDENTS

Civic Learning; Department of Education. (SR102) Requests the Department of Education to convene a working group, including students, parents, teachers, administrators, and members of the community, to develop a definition of civic responsibility and obtain an inventory of school-level activities that promote civic learning in students.

Peer Education Programs; Secondary Schools. (SR47, SD1) Requests the Department of Education to implement peer education programs in all public secondary schools. Requests support and technical assistance to the schools that are beginning the peer education programs.

School Credit; Board of Education Student Member. (HCR282) Urges the Board of Education to adopt policies that allow the Department of Education to grant school credit to the student member of the Board of Education. Requests that any school credit granted apply toward the student's graduation requirements.

Substance Abuse Prevention Programs; School Connectedness. (SCR66; SR30) Urges the Department of Education and Board of Education to adopt policies and programs that promote school connectedness and address behavioral changes. Encourages the use of programs that include prevention, treatment, education, and support as an alternative to mandatory suspension as a response to student substance abuse. Urges the use of in-school suspension, after school interventions, positive behavior mentoring, student assistance, and other programs that offer counseling and education as a preventive disciplinary response to first time substance abuse offenders and students who voluntarily seek assistance for substance abuse.

II. Military Affairs

Armed Forces Reserve Component; TRICARE Health Benefits. (SCR192; SR104) Urges the United States Congress to authorize and appropriate funds to allow all members of the armed forces reserve component to access the TRICARE program on a cost-share basis without restrictions.

Filipino World War II Veterans; Veteran Benefits. (HCR249, SD1) Urges Congress to support legislation conferring veteran benefits on Filipino World War II veterans.

Homeschoolers; Department of Defense Enlistment Policy. (SCR70, SD1; SR33, SD1) Requests Hawaii's Congressional Delegation to re-evaluate the Department of Defense enlistment policy for homeschoolers by permanently placing those who score 50 and above on the Armed Forces Qualification Test in tier one and place the remaining in tier two. Requests the support of allowing each military service to petition the Department of Defense to move education credentials to a different tier and to monitor the attrition levels of all groups periodically for possible historical changes that warrant a tier change.

USS Arizona Memorial Stamp. (HCR246, SD1) Requests the United States Postmaster General to issue a USS Arizona memorial stamp.

ENERGY, ENVIRONMENT, AND INTERNATIONAL AFFAIRS

Highlights of Accomplishments of the Senate Committee on Energy, Environment, and International Affairs

SB212, SD2, HD2, CD1, establishes provisions to improve the level of participation in the deposit beverage container program through improvements to the reverse vending machine rebate program. The measure provides an incentive to dealers by providing rebates to them, totaling up to \$3,000,000 each fiscal year, for reverse vending machines. In addition, the measure establishes provisions for the redemption center and recycling infrastructure improvement program by authorizing the Department of Health to award up to \$3,000,000 per fiscal year to improve redemption and recycling infrastructure on a statewide basis. Moneys contained in the deposit beverage container deposit special fund may be tapped to fund both the reverse vending machine rebate program and the redemption center and recycling infrastructure improvement program. The measure provides for its own repeal on 6/30/06, but allows any enforcement actions regarding the reverse vending machine rebate program brought by the Department of Health to continue after that date until completion.

HB422, HD2, SD2, CD1, seeks to reduce pollution within the waters of the State by regulating discharges and emissions from certain commercial passenger vessels. The measure affects vessels authorized to carry 50 or more passengers for hire, that provide overnight accommodations for at least 50 passengers for hire, and are not operated by the United States or a foreign government. Certain provisions affect large commercial passenger vessels, defined as those that provide overnight accommodations for at least 250 passengers for hire. Commercial passenger vessels operating solely in innocent passage are exempted from the measure's regulations. The discharge of untreated sewage from a commercial passenger vessel covered under this measure into the marine waters of the State is prohibited. Certain air emissions are prohibited, and large commercial passenger vessels are prohibited from operating an incinerator in any Hawaiian port for the combustion of any waste material. The Department of Health may establish alternative conditions for compliance where a vessel cannot practicably comply with the requirements set forth in the measure. In order to document compliance, the owner or operator of a commercial passenger vessel travelling through the marine waters of the State must maintain records detailing when, where, and the volume or flow rates of any discharge of sewage, graywater, or other wastewater, as well as the opacity of its air emissions. This information must be maintained for 3 years after it was gathered. The Department of Health shall adopt, through administrative rulemaking, a schedule of fines for violations of the provisions within this measure.

SB1554, SD1, HD2, CD1, establishes the environmental workforce program to be administered by the Research Corporation of the University of Hawaii (RCUH). The emergency environmental workforce, established after the national tragedy of 9/11/01, was found to be effective in controlling invasive species, including the coqui frog and the miconia plant. Thus, this measure establishes the program on a permanent basis. The workforce shall provide labor to assist the counties in their efforts to prevent the introduction and spread of invasive species, and to eradicate invasive species throughout the State. The RCUH may provide training and research opportunities to the workforce in the biological and social sciences related to the eradication of invasive species. The RCUH must submit an annual

report to the Legislature about the program at least twenty days prior to the start of session. The measure eliminates the temporary emergency environmental workforce through the repeal of Act 4, Third Special Session Laws of Hawaii 2001. The Hawaii Invasive Species Council is directed to work in collaboration with the RCUH in order to deploy the workforce effectively.

HB1301, HD1, SD2, CD1 (Act 51), appropriates \$50,000 to the City and County of Honolulu, \$50,000 the County of Kauai, \$100,000 to the County of Maui, and \$100,000 to the County of Hawaii for response and control efforts, programs, and initiatives that are found to be the most effective in controlling or eradicating the coqui frog. Each county is to work in collaboration with that county's invasive species committee or other invasive species working groups to address options in dealing with the coqui frog situation.

HB1017, HD3, SD2, CD1, allows homeowners who wish to practice energy conservation to place solar energy devices in single-family dwellings and townhouses governed by a private entity, such as a condominium homeowners association, despite any agreement between the parties to the contrary. A "townhouse" is defined as a series of individual houses having architectural unity and a common wall between each unit extending from the ground to the roof. By 12/31/06, private entities must adopt rules providing for the placement of registered solar energy devices. A solar energy device must comply with the private entity's rules and specifications, be registered with the private entity within 30 days of installation, and be approved in writing by the homeowner's association if the device is placed on a common element or a limited common element. Only a duly licensed contractor shall be authorized to install a solar energy device. The measure also requires the homeowner to provide the private entity with a certificate of insurance naming the private entity as an additional insured on the homeowner's insurance policy. If the proposed installation of a solar energy device is on a roof that is a common element or limited common element, and has a labor or material warranty, the homeowner must obtain confirmation from the issuer of the warranty that the proposed installation will not void the warranty. Under this measure, the owner or any successors must remove any solar energy devices installed on a common element or limited common element if the removal is reasonably necessary or convenient for the repair, maintenance, or replacement of the common elements or limited common elements. The measure also amends Act 164, Session Laws of 2004 ("Condominium Property Act") by making conforming changes that are consistent with this measure.

Bills Passed

I. Energy

High Energy Efficient Vehicles; State Procurement. (SB1427, SD1, HD2, CD1) Provides that the procurement policy for state agencies purchasing or leasing motor vehicle fleets shall be to obtain alternative fuel vehicles. Defines alternative fuel vehicle. Directs state agencies to procure increasing percentages of alternative fuel vehicles as part of their annual vehicle acquisition plans, commencing 1/1/06. Provides for offsets against the procurement requirements for alternative fuel vehicles if an agency can demonstrate improvement in overall light-duty vehicle fleet mileage economy.

Net Energy Metering; Maximum Capacity; Carryover of Surplus Electricity Generated. (SB1003, SD2, HD2, CD1) Establishes that an eligible customer-generator shall not exceed a capacity of 50 kilowatts, provided that the Public Utilities Commission (PUC) may increase the

maximum allowable capacity of eligible customer-generators by rule or order. Allows the PUC, by rule or order, to increase the total rated generating capacity produced by eligible customer generators to an amount above .5 per cent of the electric utility's system peak demand; obligates the electric utility to provide net energy metering to additional customer-generators in a service area if the percentage of the utility's peak demand is increased by the PUC to an amount above .5 per cent. Allows the PUC to amend the rate structure or standard contract or tariff for net energy metering by rule or order. Requires that excess electricity generated by the customer-generator in each monthly billing period be carried over to the next month as a credit to the eligible customer-generator, provided that credits that remain unused after a 12-month reconciliation period cannot be carried over to the next 12-month period.

Net Metered Renewable Energy Systems; Standards for Systems Greater than 10 Kilowatts.

(HB606, HD1, SD2, CD1; Act 69) Provides that, for eligible customer generator systems of greater than 10 kilowatts, the Public Utilities Commission shall set safety, performance, and reliability standards and requirements, and establish qualifications that an eligible customer generator must meet to be exempt from the requirement to install additional controls, perform or pay for additional tests, or purchase additional liability insurance.

Solar Energy Devices; Single-Family Residential Dwelling and Townhouse. (HB1017, HD3, SD2, CD1)

Amends the condominium property regime law to allow the placement of solar energy devices in single-family dwellings and townhouses governed by a private entity, despite any covenant, declaration, bylaws, restriction, deed, lease, term, provisions, condition, codicil, contract or similar binding agreements to the contrary. Defines "private entity", "solar energy device", and "townhouse". Requires a private entity to adopt rules by 12/31/06, to provide for the placement of registered solar energy devices. Provides that any solar energy device be in compliance with the private entity's rules and specifications, registered with the private entity within 30 days of installation, and approved in writing by the homeowner's association if the device is placed on a common element or limited common element. Provides that only a duly licensed contractor shall install a solar energy device. Requires the homeowner to provide the private entity with a certificate of insurance naming the private entity as an additional insured on the homeowner's insurance policy. Requires a homeowner who wishes to install a solar energy device on a roof that is a common element or limited common element and has a labor or material warranty to obtain confirmation that the installation will not void the warranty. Makes the owner or any successors responsible for removing any solar energy devices installed on a common element or limited common element if removal is reasonably necessary or convenient for the repair, maintenance, or replacement of the common elements or limited common elements. Amends Act 164, Session Laws of 2004 by making conforming changes consistent with this measure.

II. Environment

Advisory Committee on Pesticides; Membership. (HB291, HD1; Act 4) Substitutes a landscape professional as a member of the Advisory Committee on Pesticides for the at-large public member.

Coastal Light Pollution. (HB895, HD2, SD2, CD1) Prohibits artificial light from floodlights, uplights, or spotlights, used for decorative or aesthetic purposes, from directly illuminating the shoreline and ocean waters, or from being directed to travel across property boundaries toward the shoreline and ocean waters. Prohibits the issuance of special management area

permits or special management area minor permits for structures that violate the artificial light provisions, and directs the authority for special management areas to adopt rules to implement the artificial light provisions. Excludes from prohibition any outdoor lighting fixture located in a hotel or hotel-condo; provided it is located underwater or is directed downward and illuminates a limited area of no more than 30 feet into the shoreline and ocean waters, or it is the only practicable means of ensuring the safety and security of guests, visitors, and employees. Excludes from prohibition artificial lighting provided by government agencies or their authorized users for government operations, security, public safety, or navigational needs; provided that any government agency or its authorized users shall make reasonable efforts to properly position or shield lights to minimize adverse impacts.

Cruise Ships; Discharges and Emissions (HB422, HD2, SD2, CD1) Defines "commercial passenger vessel" as one that carries passengers for hire, and excludes from the definition vessels authorized to carry fewer than 50 passengers, that do not provide overnight accommodations for at least 50 passengers for hire, or that are operated by the U.S. or a foreign government. Defines "large commercial passenger" vessel as a commercial passenger vessel that provides overnight accommodations for at least 250 passengers for hire. Exempts from this measure's provisions commercial passenger vessels that operate solely in innocent passage. Establishes provisions relating to prohibited discharges and limitations on discharges. Prohibits the discharge of untreated sewage from a commercial passenger vessel into the marine waters of the State. Establishes provisions relating to prohibited air emissions, and prohibits operation of an incinerator on a large commercial passenger vessel in any Hawaiian port for the combustion of any waste material. Requires the owner or operator of a commercial passenger vessel to maintain records detailing the dates, times, and locations, and the volumes or flow rates of any discharge of sewage, graywater, or other wastewater into the marine waters of the State, or the opacity of air emissions. Requires that discharge and emissions information be maintained for 3 years after gathered. Requires adoption of a fine schedule by the Department of Health for violations of this measure.

Deposit Beverage Container Program; Passenger Vessels; Exemption. (HB1015, HD2, SD1) Exempts from the provisions of the deposit beverage container program a deposit beverage container that is sold or delivered to a passenger vessel intended for use and consumption on the passenger vessel, provided that the entity operating the passenger vessel has a recycling plan prescribed or approved by the Department of Health. Requires recycling plans be submitted to the Department of Health and to include the name and address of the recycling company accepting the empty beverage containers. Provides that deposit beverage containers covered under this exemption shall not be redeemed for the deposit or handling fee. Defines "commercial passenger vessel" as any domestic or foreign flagged marine or air carrier used primarily for transporting persons to, from, or within the State. Defines "patron" as a person who buys a beverage in a deposit beverage container for use or consumption and does not pay the deposit; replaces the term "consumer" with "patron" within the definition of "on-premises consumption" and the provision for redemption by businesses of on-premises consumption. Amends reverse vending machine requirements to provide that if the reverse vending machine is unable to read the barcode then it shall reject the container. Removes restriction on accepting a flattened deposit beverage container.

Deposit Beverage Container Redemption Centers; Universal Product Code. (SB680, SD1, HD1) Requires that the Department of Health develop procedures to facilitate the exchange of information between deposit beverage container manufacturers, distributors, and retailers and certified redemption centers. Provides that such information include, but not be limited

to, universal product code information to allow a reverse vending machine to accept empty containers for redemption. Amends provisions relating to redemption center reporting. Changes frequency of request for payments by a certified redemption center to at least twice per month.

Environmental Impact Statements; Wastewater Treatment Unit; Conflict of Interest. (HB408, HD2, SD1, CD1) Defines "wastewater treatment unit" to clarify the applicability of the environmental impact statement law to such facilities. Provides that when a conflict of interest may exist because the proposing agency and the agency making the determination of the extent of environmental impact are the same, the Office of Environmental Quality Control may review the agency's determination, consult the agency, and advise the agency of potential conflicts.

Environmental Workforce; Research Corporation of the University of Hawaii. (SB1554, SD1, HD2, CD1) Establishes the environmental workforce program to be administered by the Research Corporation of the University of Hawaii (RCUH). Requires the workforce to employ individuals exempt from civil service and collective bargaining, and to provide labor to assist the counties to prevent the introduction and spread of invasive species and eradicate invasive species throughout the State, including but not limited to miconia, coqui frogs, and fire ants. Provides that the State shall be responsible for covering the unemployment claims of environmental workforce employees, and RCUH shall contribute to the State the current fringe cost charged to the appropriation for unemployment insurance. Allows RCUH to provide the workforce with training and research opportunities in the biological and social sciences related to the eradication of invasive species. Requires RCUH to submit an annual report to the Legislature at least 20 days prior to the start of each Regular Session on the status of the program. Repeals Act 4, Third Special Session Laws of Hawaii 2001. Directs the Hawaii Invasive Species Council to work in collaboration with RCUH to deploy the workforce effectively.

Invasive Species; Coqui Frog Control or Eradication. (HB1301, HD1, SD2, CD1; Act 51) Appropriates \$50,000 to the City and County of Honolulu, \$50,000 the County of Kauai, \$100,000 to the County of Maui, and \$100,000 to the County of Hawaii for fiscal year 2005-2006 for response and control efforts, programs, and initiatives that are found to be the most effective in controlling or eradicating the coqui frog. Provides that each county is to work in collaboration with that county's invasive species committee or other invasive species working groups to address the coqui frog situation.

Reverse Vending Machine Rebates; Redemption Center Infrastructure Improvement. (SB212, SD2, HD2, CD1) Establishes provisions relating to the reverse vending machine rebate program. Requires the Department of Health to provide rebates to dealers of up to \$3,000,000 in the aggregate, in any fiscal year, of the cost of purchasing reverse vending machines, including shipping and general excise tax; establishes conditions under which a rebate shall be granted. Establishes standards relating to the redemption center and recycling infrastructure improvement program, and authorizes the Department of Health to award up to \$3,000,000 per fiscal year by request for proposals to improve redemption and recycling infrastructure statewide. Requires the Director of Health to report on the redemption center and recycling infrastructure improvement program within the Department of Health's annual report to the Legislature and Governor on the deposit beverage container program, and requires certain information be included in the annual report. Allows moneys in the deposit beverage container deposit special fund to be used to fund the reverse vending machine rebate program and the redemption center and

recycling infrastructure improvement program. Provides for its repeal on 6/30/06, except that any action maintained by the Department of Health to enforce provisions of the reverse vending machine rebate program shall be allowed to continue until completion.

Solid Waste Disposal; Violations. (HB1430, HD2, SD2, CD1) Creates separate provisions in the solid waste pollution law for criminal, petty misdemeanor violations and civil violations for certain unlawful solid waste disposals. Provides that it is a petty misdemeanor to unlawfully dispose of solid waste in an amount equal to or greater than one cubic yard and less than ten cubic yards, and that civil violations apply to the illegal disposal of solid waste in an amount equal to or greater than one cubic yard. Exempts from the petty misdemeanor provisions disposal of green waste, which includes leaves, grass clippings, garden and yard wastes, tree trunks, holiday trees, tree trimmings, and prunings, or any combination thereof.

Waianae Coast; Permit Moratorium; Environmental Study. (SB1262, SD1, HD2, CD1) Places a moratorium on the issuance by the Department of Land and Natural Resources (DLNR) of any state small boat harbor facility commercial permits for any vessel owner or operator engaged in ocean use activities from Kalaeloa Point to Kaena Point. Provides that the moratorium on issuance of permits will be lifted when the boundaries of an ocean recreational management area for the area from Kalaeloa Point to Kaena Point are determined and ocean recreation management area rules are adopted. Requires the DLNR to prepare a baseline environmental study of the area from Kalaeloa to Kaena Point and specifies information required in the study. Requires the study to be submitted to the Legislature no later than 20 days before the start of the Regular Session of 2007.

Resolution(s) Adopted

ENVIRONMENT

Environmental Justice; Guidance Document; Department of Health; Environmental Impact Statement Law. (SR78) Requests the Department of Health to develop and adopt a guidance document to include principles of environmental justice in all phases of the environmental review process under chapter 343, Hawaii Revised Statutes. Requests the guidance document to create procedures to identify and analyze disproportionately adverse environmental effects a project may have upon minority, Native Hawaiian, and low-income communities. Asks that the guidance document provide methods for making timely public participation in the decision-making process. Requests that when disproportionate adverse effects upon a community are identified that steps be taken to minimize or mitigate the adverse effects. Provides that Department of Health submit the guidance document no later than 20 days before the convening of the Regular Session of 2006.

Environmental Justice; Guidance Document; Environmental Council; Environmental Impact Statement Law. (SCR140, HD1) Requests the Environmental Council to formulate and adopt a guidance document that includes principles of environmental justice in all phases of environmental review under the Environmental Impact Statements Law, chapter 343 of the Hawaii Revised Statutes. Requests that the Office of Environmental Quality Control and the University of Hawaii Environmental Center assist in the production of the environmental justice guidance document. Requests that the guidance document be submitted to the Legislature no later than 20 days prior to the start of the Regular Session of 2006.

INTERNATIONAL AFFAIRS

Darfur Accountability Act of 2005; Support. (SR112) Condemns the genocide and war crimes committed in the Darfur region of Sudan. Summarizes the provisions of the Darfur Accountability Act of 2005 legislation before Congress, which are designed to bring an end to fighting in that region. Urges Hawaii's Congressional Delegation to sponsor, actively support, and vote for the Darfur Accountability Act of 2005.

Republic of Kiribati; War Reparations. (HCR62) Supports the government and people of the Republic of Kiribati in their efforts to obtain reparations for property damage and human loss and suffering sustained during World War II.

United Nations Declaration on the Rights of Indigenous Peoples; Indigenous People of Hawaii. (SR100) Urges the Legislature to adopt the United Nations Declaration on the Rights of Indigenous People. Asks that the Legislature specifically recognize that the political and cultural rights enumerated in the United Nations document apply to the kanaka maoli – the indigenous people of Hawaii. Acknowledges that the survival of the Native Hawaiian culture requires the support of efforts to allow kanaka maoli to pursue environmentally sustainable economic, social, and educational activities.

HEALTH

Highlights of Accomplishments of the Senate Committee on Health

SB1100, SD2, HD1, CD1, requires any person transporting by any means more than three packages of any restricted pseudoephedrine product to obtain a pseudoephedrine permit from the Department of Public Safety. The unlawful transport of pseudoephedrine is a misdemeanor. Pharmacies and retailers are also prohibited from selling, or distributing without a prescription more than three packages or not more than nine grams per transaction of pseudoephedrine products. In addition, pseudoephedrine products must be sold from areas that are either in the direct line of sight of an employee at a check-out station or counter, under constant video monitoring, or an area that is not accessible by customers or the general public. Pseudoephedrine, a nonprescription cold remedy, is increasingly used in the clandestine manufacture of crystal methamphetamine, commonly referred to as "ice." The measure strikes a balance between reducing the amount of pseudoephedrine products being diverted to clandestine laboratories and consumer needs and convenience.

HB1304, HD1, SD2, CD1, establishes a temporary health care task force to develop a plan to implement healthcare for all Hawaii residents. Since entities such as the Hawaii Uninsured Project, the Vision 2000 Healthcare Congress, and the Governor's Blue Ribbon Panel on Cancer Care in Hawaii, among others, have ongoing efforts in place to address related health care issues, the task force will use the work of these entities as a starting point for the development of the plan. The membership will be comprised of a balanced representation of interested parties with members having experience in health care and the health care industry, members from private sector organizations, members who actively participate with the Hawaii Uninsured Project, and members from at least one public union and one neighbor island. The Hawaii Uninsured Project will facilitate and help contract for expert testimony or studies, or both, including a cost analysis comparing the costs under the status quo with various systems of coverage under consideration. The measure requires the task force to report its findings and recommendations to the Legislature, including the cost analysis and a detailed rationale for implementation.

SB682, SD2, HD3, CD1, requires every retailer engaged in the retail sale of cigarettes and other tobacco products to obtain a retail tobacco permit from the Department of Taxation. The permit fee is \$20 and is valid for one year, renewable annually. The measure provides penalties for unlawful tobacco retailing. It also gives the Department the authority to suspend, revoke, or decline to renew a retail tobacco permit or a wholesaler or dealer license for good cause. At present, it is not possible to know who is or how many retail vendors are currently selling tobacco products. The permit will facilitate enforcement of current law by providing a known and measurable list of entities engaged in the retail sale of cigarettes and other tobacco products. This will greatly enhance efforts to reduce youth access to tobacco and to deal with counterfeit stamped products. It also facilitates diligent enforcement of the Master Settlement and Cigarette Tax law.

SB802, SD2, HD, CD1, establishes a state pharmacy assistance program within the Department of Human Services (DHS). With the rising cost of prescription medication, many seniors and disabled individuals who are living on fixed incomes find it hard to make ends meet, even though they receive Medicare benefits. Some of these Medicare-eligible individuals are also Medicaid recipients who now enjoy one hundred percent drug coverage under Medicaid. However, with mandatory participation in the new Federal Medicare

Modernization Act, these same individuals will lose their current level of drug coverage. The state pharmacy assistance program will assist current Medicaid recipients to retain more of their current drug benefits as well as increase the population of Medicare individuals who may take advantage of this drug benefit. The program also facilitates the enrollment and coordination of benefits between the state pharmacy assistance program and the new Medicare Part D drug benefit program. The Act allows a prescription drug manufacturer or labeler that sells prescription drugs in the State to enter into a rebate agreement with DHS, whereby the manufacturer or labeler makes rebate payments to DHS according to a schedule. Program benefits will be based on the receipt of sufficient rebates to fund the benefits. The Act also establishes the state pharmacy assistance program special fund into which all rebate moneys shall be deposited along with any appropriations or other revenues designated for the fund.

Bills Passed

EMERGENCY MEDICAL SERVICES

Ambulance Providers; Emergency Appropriation. (HB684, HD1; Act 25) Appropriates \$2,120,801 for fiscal year 2004-2005 to the Department of Health to comply with collective bargaining increases negotiated by ambulance providers statewide.

Emergency Response Stockpile; CBRNE Events and Public Health Emergencies. (HB516, HD2, SD1; Act 46) Establishes provisions relating to the maintenance of an emergency response stockpile consisting of a strategic supply of drugs, vaccines and other biological products, medical devices, and related supplies to prepare for or respond to a CBRNE event or other public health emergency. Defines "CBRNE event" to mean the use of chemicals, biological agents, radioactive materials, nuclear devices, or explosives to kill or sicken people, animals, or plants. Provides that the Director of Health, through the Department of Health, may maintain an emergency response stockpile to prepare for or respond to a CBRNE event or other public health emergency. Exempts the Department and the Director from certain laws and rules relating to the maintenance and dispensing of these supplies.

HEALTH FACILITIES

Kalaupapa; Patient Residents. (SB1713, SD1; Act 37) Establishes a provision under the health law relating to Hansen's Disease requiring the Department of Health (DOH) to honor and uphold the protections extended to patient residents at Kalaupapa and ensure that they are treated with dignity, respect, courtesy, and sensitivity. Requires DOH to promote and protect the personal liberty, autonomy, and dignity of all patient residents at Kalaupapa.

SPRBs; Leasing; Hawaii Pacific Health Care. (SB459, SD2, HD1, CD1) Amends the provisions relating to assisting not-for-profit corporations that provide health care facilities to the general public of the special purpose revenue bonds law. Redefines "health care facility, facility, or project" to include equipment and software. Redefines "project agreement" to include any lease, sublease, conditional sale agreement, or other similar financing contract or agreement entered into by the Department of Budget and Finance with a project party, lender, lessor, or other third party. Authorizes the issuance of special purpose revenue bonds not to exceed \$30,000,000, to assist Hawaii Pacific Health, a nonprofit corporation, the obligated group in which Hawaii Pacific Health is a member, and one or more of its not-for-profit affiliates, in financing, refinancing, and reimbursing costs related to the acquisition or construction of health care facilities (including costs related to the acquisition or the

acquisition and installation of information technology, equipment, software, and other related projects for Hawaii Pacific Health and any one or more of its not-for-profit affiliates). Authorizes the issuance of refunding special purpose revenue bonds to refund the special purpose revenue bonds.

HEALTH RELATED INSURANCE

Dental Insurance. (SB1230; Act 11) Extends the exemption of dental service corporations and dental service organizations from health insurer assessment by changing the sunset date of Act 132, Session Laws of Hawaii 2001, to 7/1/06.

Health Care Task Force; Marriage License Surcharge. (HB1304, HD1, SD2, CD1) Establishes a temporary health care task force to develop a plan to implement health care for all Hawaii residents. Places the task force within the Insurance Division of the Department of Commerce and Consumer Affairs for administrative purposes. Requires the task force to use the work of the Hawaii Uninsured Project, the Vision 2000 Healthcare Congress, and the Governor's Blue Ribbon Panel on Cancer Care in Hawaii, among others, as a starting point for the development of the plan; to contract with the Hawaii Uninsured Project to serve as a facilitator; and to report to the Legislature. Permits the task force to request assistance from the Department of Health, the Insurance Division, the Department of Human Services, and other state agencies. Sunsets the task force on 6/30/06. Appropriates \$200,000 for fiscal year 2005-2006 to the Insurance Division of the Department of Commerce and Consumer Affairs for the task force to contract for services and studies as necessary. Amends provisions relating to marriage licenses to provide that an agent shall collect a \$5 surcharge from an applicant to provide an additional benefit and compensation for the agent.

LICENSING; PROFESSIONAL AND VOCATIONAL

Dental Hygienists; Licensure. (SB118, SD2, HD2, CD1) Amends the licensure provisions of the dental hygienists law. Requires an applicant to take and pass the State's examination or one of four regional examinations given after 2/1/05, by The Western Regional Examining Board, The Central Regional Dental Testing Service, Inc., The Southern Regional Testing Agency, Inc., or The North East Regional Board of Dental Examiners. Provides that once a national examination is available, an applicant shall take and pass the national examination, and neither the state examination nor any regional examination shall be accepted. Provides that an applicant who takes and passes the state or regional examination after 2/1/05, but prior to the availability of a national examination shall be deemed to have met the Board's examination requirement.

Dentists; Licensure. (SB568, SD1, HD2, CD1) Changes application for examination for graduates of dental colleges accredited by the American Dental Association Commission on Dental Accreditation to application for licensure. Reduces the application submission deadline from 60 days prior to the date of the scheduled examination to 45 days. Provides three alternatives for an applicant to be eligible for licensure if the Board of Dental Examiners determines that two state written and practical examinations on dentistry will not or have not been administered during the calendar year: (1) if the applicant takes and passes one of the four regional examinations given between 2/1/04 and the date of availability of the American Board of Dental Examiners (ADEX) examination, by The Western Regional

Examining Board, The Central Regional Dental Testing Service, Inc., The Southern Regional Testing Agency, Inc., or The North East Regional Board of Dental Examiners; (2) if the applicant takes and passes a national examination approved by the board; and (3) by credential if the applicant is a dental specialist and agrees to practice only as a dental specialist within the area of the applicant's specialization. Provides that once the ADEX examination is available and approved by the Board, an applicant shall take and pass the ADEX examination, and neither the state examination nor any regional examination shall be accepted. Allows an applicant who has taken a regional examination after 2/1/04, but prior to the availability of the ADEX examination to be deemed to have met the Board's examination requirement if the applicant passes the exam. Requires the Board to make a determination and post notification on its webpage by 7/15/05, regarding whether the two state written and practical examinations on dentistry will be administered.

Traditional Hawaiian Healing Practices. (SB1285, SD2, HD1, CD1) Changes provisions to healing practices by traditional Hawaiian healers engaged in traditional Native Hawaiian healing practices recognized and certified as such by any kupuna council convened by Papa Ola Lokahi. Deletes the definition of "traditional native Hawaiian healer." Replaces references to "panel of traditional native Hawaiian healers" with "kupuna council" and capitalizes the word "Native" when referring to "Native Hawaiian healing methods" for the purpose of inclusiveness.

MEDICAL RECORDS

Evidence; Health Records; Peer Review and Quality Assurance Committees. (SB122, SD1, HD3, CD1) Amends the provision of the depositions and discovery law pertaining to proceedings and records of peer review committees and quality assurance committees to protect "case review forums" from discovery. Expands the protection so that no person in attendance at a case review forum shall be required to testify as to what transpired at the meeting.

MENTAL HEALTH

Mental Health; Serious Mental Illness. (SB761, SD2, HD1, CD1) Amends the mental health, alcohol, and drug abuse treatment insurance benefits law by expanding the definition of "serious mental illness" to include obsessive compulsive disorder, dissociative disorder, delusional disorder, and major depression.

Mental Health Services; Emergency Appropriation. (HB683, HD1, SD2; Act 43) Appropriates \$3,930,000 for fiscal year 2004-2005 to the Department of Health for services and activities to patients of Hawaii state hospital, to continue and to implement services for the target population as defined and required by the federal court-ordered community plan, and to serve an increasing number of persons eligible for mental health services. Increases the Mental Health and Substance Abuse Special Fund expenditure ceiling by \$3,500,000.

Psychotropic Medication; Preauthorization Exemption. (SB1420, SD2, HD3, CD1) Prohibits the Department of Human Services from imposing any restrictions or limitation on the coverage for, or a recipient's access to, psychotropic medication, provided it is prescribed by a licensed psychiatrist, or by a licensed physician in consultation with a psychiatrist duly

licensed in the State. Defines "psychotropic medication" to mean only those agents approved by the United States Food and Drug Administration for the treatment of mental or emotional disorders. Permits a licensed physician to prescribe psychotropic medication pursuant to the laws of this State to an individual who is Medicaid eligible without the requirement of any preauthorization procedure if the individual is in need of emergency psychiatric or psychological service. Requires a report to the 2007 Legislature. Sunsets on 6/30/07.

NURSING

Nurses; Prescriptive Authority. (HB1118; Act 30) Clarifies the law authorizing prescriptive authority to qualified advance practice registered nurses by changing "a collegial working relationship" with a licensed physician to "the appropriate working relationship."

PHARMACEUTICAL DRUGS

Medicaid; Preauthorization Exemption; HIV/AIDS and Hepatitis C Medication, Immunosuppressives. (HB1051, HD2, SD2, CD1) Allows any physician licensed in this State who treats a Medicaid recipient patient suffering from the human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C, or a patient in need of transplant immunosuppressives, to prescribe any medications approved by the United States Food and Drug Administration and that are eligible for Omnibus Budget Reconciliation Rebates Act (OBRA), that are necessary to treat the condition, without the requirements of any preauthorization procedure. Excludes QUEST medical plans.

Pseudoephedrine Permit. (SB1100, SD2, HD1, CD1) Beginning 1/1/06, requires any person transporting by any means more than three packages of any restricted pseudoephedrine product to obtain a pseudoephedrine permit issued by the Department of Public Safety. Provides that a person commits the misdemeanor offense of unlawful transport of pseudoephedrine if the person transports more than three packages of any restricted pseudoephedrine product without a permit. Establishes provisions relating to sales of products, mixtures, or preparations containing pseudoephedrine. Allows a pharmacy or retailer to dispense, sell, or distribute without a prescription not more than three packages or not more than nine grams per transaction, of any product, mixture, or preparation containing any detectable quantity of pseudoephedrine, its salts, optical isomers, or salts of optical isomers, as the only active ingredient or in combination with other active ingredients. Provides supervision requirements for pharmacies and retailers. Requires every wholesaler to report all sales made to any retailer, of any product, mixture, or preparation containing any detectable quantity of pseudoephedrine, its salts, optical isomers, or salts of optical isomers, as the only active ingredient or in combination with other active ingredients. Exempts pseudoephedrine products that are in liquid, liquid capsule, or gel capsule form if pseudoephedrine is not the only active ingredient.

State Pharmacy Assistance Program. (SB802, SD2, HD1, CD1) Establishes the State Pharmacy Assistance Program within the Department of Human Services (DHS). Provides that if there are no federally approved prescription drug plans available in the State that provide a full coverage prescription drug benefit, the program may coordinate the prescription drug coverage with the federal Medicare Part D prescription drug benefit. Establishes the

eligibility requirements and benefits of the program. Establishes the state pharmacy assistance program special fund for all moneys received from manufacturers that pay rebates; appropriations made by the Legislature to the fund; and any other revenue designated for the fund. Provides that moneys in the fund may be used for reimbursement payments to participating pharmacies; the costs of administering the program; and any other purpose deemed necessary by DHS for the purpose of operating and administering the program. Requires an annual report to the Legislature. Appropriates \$2,750,000 for each year of the 2005-2007 fiscal biennium out of the state pharmacy assistance program special fund to DHS.

OTHER ISSUES

Developmental Disabilities Residential Services. (SB3, SD2, HD2, CD1) Creates a new category of residential services for persons with developmental disabilities or mental retardation. Authorizes the Department of Health (DOH) to license developmental disabilities domiciliary homes for individuals with developmental disabilities or mental retardation who are unable to live independently and who require supervision, support, or care, but do not require care by licensed nurses. Clarifies that the Department of Human Services (DHS) shall continue to license, certify, regulate, or enter into purchase service agreements for child foster homes or providers that serve individuals with developmental disabilities or mental retardation. Prohibits a single apartment in a DOH-funded developmental disabilities apartment complex from being occupied by more than two residents with developmental disabilities or mental retardation. Requires the Director of Health to establish criteria for contracts for developmental disabilities apartment complexes and where necessary to provide for additional funding for developmental disabilities domiciliary homes. Authorizes the Director of Human Services to determine the rate of payment for developmental disabilities domiciliary homes and adult foster homes.

Domestic Violence. (SB1419, SD1) Renames the Domestic Violence Prevention Special Fund to the Domestic Violence and Sexual Assault Special Fund and makes conforming changes. Adds sexual assault intervention or prevention as a permitted use of the fund. Requires the Department of Health (DOH) to work with providers of services to victims of domestic violence to develop a five-year strategic plan to reduce the incidence of domestic violence. Requires a report to the Legislature prior to the convening of the 2006 Regular Session. Requires DOH to work with the sexual violence strategic planning groups to implement the recommendations of the January 2005 strategic plan entitled "Shaping Tomorrow, The Future of Sexual Violence Programs in Hawaii" that was presented by the sexual violence strategic planning group.

Early Intervention Services; Emergency Appropriation. (SB782, SD1; Act 7) Amends the state budget by appropriating \$981,719 from the early intervention special fund for fiscal year 2004-2005 to the Family Health Services Division of the Department of Health to provide mandated early intervention services for children age 0-3 years with a developmental delay or biological/environmental risk.

Elderly Care; Program for All-inclusive Care for the Elderly. (SB1235, HD1; Act 40) Extends the demonstration project known as the Program for All-inclusive Care for the Elderly (PACE) at Maluhia hospital to 6/30/07. Requires reports to the Legislature in 2006 and 2007.

Frozen Foods; Baked Goods. (HB332, HD1, SD2, CD1) Prohibits the sale of or the offer to sell any baked goods that were previously frozen and are being offered for sale in a thawed state, unless a sign or notice is posted within close proximity of the point of display of the baked goods notifying purchasers that it is a common practice to flash freeze baked goods to preserve freshness. Provides that the sign or notice shall be entitled "Baked Goods Previously Frozen"; shall include the words, "Previously Frozen and Thawed"; shall be composed in all capital letters in bold print in a minimum of fourteen-point font size; and shall list all baked good products that have been previously frozen using all capital letters in bold point in a minimum ten-point font size. Requires all suppliers and distributors of previously frozen baked goods for resale in the State to provide their respective retailers with a listing that contains the name of a product and the name of the product's manufacturer for all baked good products supplied or distributed that have been previously frozen and thawed. Provides that no previously frozen baked good product shall use the term "fresh" as part of the label or advertising to describe the product unless the baked good has been maintained in an unfrozen state. Effective 1/1/06.

Health Care Settings; Licensure. (SB791, SD2, HD2, CD1) Requires all special treatment facilities to be licensed and to be designed to provide a therapeutic residential program for care, diagnosis, treatment, or rehabilitation for socially or emotionally distressed persons, mentally ill persons, persons suffering from substance abuse, and developmentally disabled persons. Establishes provisions relating to therapeutic living programs. Requires therapeutic living programs to be licensed. Defines "therapeutic living program" to mean a supervised living arrangement that provides mental health, substance abuse services or supportive services for individuals or families who do not need the structure of a special treatment facility and are transitioning from a more restrictive treatment setting to independent living. Prohibits a county agency from issuing a permit for the operation of a clean and sober home or drug rehabilitation home unless a public informational meeting is first held in the affected county. Defines "clean and sober home" and "drug rehabilitation home." Repeals an earlier provision regarding permitted use of drug rehabilitation homes in residential areas. Includes a grandfather provision for existing facilities.

Home and Community Based Services; Emergency Appropriation. (SB789, HD1; Act 15) Appropriates \$6,990,593 for fiscal year 2004-2005 to the Department of Health (DOH) to provide home and community-based services for the developmentally disabled or mentally retarded through the Title XIX Waiver Program. Amends the state budget by increasing the appropriation for home and community based care services to provide the Department of Human Services with emergency funds to reimburse DOH developmental disabilities or mental retardation medicaid waiver providers for fiscal year 2004-2005 claims.

Infectious and Communicable Diseases; Quarantine. (SB781; Act 29) Clarifies that police officers and sheriffs have the authority and duty to enforce quarantine orders when required by the Department of Health.

Purchases of Health and Human Services; County Agencies. (SB527, SD2, HD1) Expands the purchases of health and human services law to include contracts made by county agencies.

Retail Tobacco Permit. (SB682, SD2, HD3, CD1) Requires every retailer engaged in the retail sale of cigarettes and other tobacco products to obtain a retail tobacco permit issued by the Department of Taxation. Requires a permit for each place of business, including a permit for a vending machine or motor vehicle from which cigarettes or tobacco products are sold. Provides that permit holders are subject to inspection and investigation by the Department of

the Attorney General. Establishes penalties. Authorizes the department to suspend, revoke, or decline to renew a retail tobacco permit or a wholesaler or dealer license for good cause. Creates the offenses of unlawful tobacco retailing in the first and second degrees. Appropriates \$130,953 for fiscal year 2006-2007 from the tobacco enforcement special fund of the Department of the Attorney General to be transferred to the Department of Taxation to establish and administer the licensing and permitting of tobacco and cigarette sales, including the establishment of three permanent full-time equivalent positions. Appropriates \$130,953 for fiscal year 2006-2007 from the interdepartmental appropriation transferred from the Department of the Attorney General to be transferred for the Department of Taxation to establish and administer the licensing and permitting of tobacco and cigarette sales, including the establishment of three permanent full-time equivalent positions. Repealed on 7/1/09.

Waimano Ridge; Use of Public Land. (SB1473, SD1, HD1, CD1) Amends the conservation and resources law pertaining to public lands by requiring the Department of Health (DOH) to provide at least 90 days notice to the affected neighborhood boards and legislators representing the district where Waimano Ridge is located, and obtain the approval of the Governor, prior to new uses or the expanded use of the land as a sex offender treatment facility, drug treatment facility, state laboratory, or other uses. Requires DOH, in consultation with the Department of Land and Natural Resources, residents of Pearl City, the Pearl City Community Association, and Pearl City Neighborhood Board No. 21, to prepare an updated master plan for the future use of the state-owned Waimano Ridge lands. Requires DOH to conduct not less than two public hearings, duly noticed at least two weeks in advance, in the Waimano Ridge community to obtain public input on formulating the master plan. Requires a report to the Legislature.

Resolutions Adopted

CAREGIVERS

Long-term Care; Family Caregivers. (HCR95) Recognizes that family caregivers provide over 80 percent of home care services and over 90 percent of all long-term care services. Recognizes that as long-term care costs continue to rise, it is in the interest of the State to devise mechanisms to assist family caregivers who care for the elderly and those who require at-home long-term care by keeping them off Medicaid and out of costly nursing homes. Recognizes the importance of the contributions of family caregivers and urges support for them, to the extent possible, as a state objective in serving the long-term care needs of its residence.

Long-term Care; Family Caregivers. (HCR96) Urges the Department of Health and the Department of Human Services to explore methods of providing assistance to family caregivers who give free and continuing day-to-day care in the home to relatives needing long-term care and that in developing methods of providing assistance to family caregivers, the departments also account for the caregiver's ability to support the costs of providing care. Requests a report to the Legislature before the 2006 Regular Session.

DISABILITIES

Developmental Disabilities and Choice of Residential Setting; Task Force. (HCR40, HD1) Recognizes that the State Council on Developmental Disabilities convened a residential

settings task force that made recommendations and identified significant issues that surround and impact individual choice and self-determination. Acknowledges that the task force was unable to complete all the analysis and agreed by majority vote of its members to continue its work, including further analysis of statutes, administrative rules, policies, and directives and to continue to discuss and outline the details of recommendations that were not included in its earlier report. Requests that the Council continue to convene the task force and that the task force submit a follow-up report to the Legislature before the 2006 Regular Session.

MEDICAL MATTERS

Access to Specialty Care; Neighbor Islands and Oahu. (SCR195, SD1, HD1) Requests the Department of Health, State Health Planning and Development Agency (SHPDA) to identify and evaluate the barriers to community-based access to specialty care and make recommendations to improve access to specialty care on the neighbor islands and in rural Oahu. Requests SHPDA to consult with various associations and stakeholder groups that may be able to assist in the task, as well as rural and neighbor island communities and health care providers. Requests an interim report to the Legislature before the 2006 Regular Session and a final report to the Legislature before the 2007 Regular Session.

Cervical Cancer Awareness Month; January. (HCR8) Requests the Governor to designate the month of January as Cervical Cancer Awareness Month.

Hepatitis C; Educational Material. (SCR109, SD1) Requests the Department of Health (DOH) to make educational materials available, in written and electronic form, on the prevention, diagnosis, and treatment of hepatitis C to physicians, other health care providers, veterans, and other persons at high risk for hepatitis C. Requests that the materials include information and recommendations of DOH, Department of Human Services, Centers for Disease Control and Prevention, and other entities having expertise in hepatitis C, including the American Liver Foundation and the Department of Veterans Affairs. Requests that DOH coordinate a Hepatitis C Education Work Group to implement the educational goals and objectives of the Hawaii Hepatitis C Strategic Plan to raise the awareness and the knowledge of health care providers. Requests the work group to include representatives of: organizations that represent physicians, nurses, and other health care providers; the Department of Veterans Affairs; the media; the Alcohol and Drug Abuse Division, Adult Mental Health Division, Family Health Services Division, Communicable Disease Division, and the Disease Outbreak and Control Division of DOH; community stakeholders including people living with hepatitis C; and the American Liver Foundation. Requests a report to the Legislature before the 2006 Regular Session.

Medical Marijuana Program; Working Group. (SCR197, SD1) Requests the Director of Health to convene and chair a medical marijuana working group to make recommendations to improve Hawaii's medical marijuana program. Requests that the working group include a representative from the Department of Public Safety (DPS), the Department of Health, the Drug Policy Forum of Hawaii; and one registered qualifying patient currently in the medical marijuana program. Requests that the working group make recommendations to and assist the DPS to improve the effectiveness of its internet website by providing all relevant information to current and potential qualifying patients, primary caregivers, and physicians regarding the medical marijuana program. Requests that the working group also review the operation of the medical marijuana program and recommend ways to better and more

effectively focus on the medical mission of the program, and recommend in which state department the medical marijuana program would most effectively be placed. Requests that the Director of Health submit a report to the Legislature before the 2006 Regular Session.

Medical Records Management; Consortium. (SR41, SD1) Recognizes that a digital medical information system could sharply reduce medical errors, which are estimated to be responsible for 45,000 to 98,000 deaths a year, and that if basic standards for electronic health records are established, it will be less risky to invest in digital records for doctors or hospitals. Requests the Department of Health; the University of Hawaii; the Department of Business, Economic Development, and Tourism; the Hawaii Business Health Council; Hawaii Health Management Group; and the Hawaii Life Sciences Council to convene a consortium to develop or encourage the use of basic standards to facilitate the proliferation of health record accessibility through electronic means. Requests that the standards include a method to certify that the records can be opened and read by doctors and specialists as authorized by the patient and protect privacy, even when different users of the records system may have different computer operating systems. Requests that the consortium base the standards and applications on the most commonly used hardware and software technology available and expresses that if national interoperability standards are developed, that the consortium adopt the national standards if they are congruous with the State's needs and circumstances. Requests a report to the Legislature before the 2006 Regular Session.

Obesity Prevention and Healthy Lifestyles; Statewide Strategic Plan. (SCR7, HD1) Acknowledges the prevalence and detrimental health effects of obesity in children and adults in Hawaii and requests the Department of Health (DOH) to propose and develop a comprehensive statewide strategic plan to address prevention and treatment of childhood obesity and promote healthy lifestyles in Hawaii. Requests that the Department of Education, Department of Human Services, University of Hawaii Department of Kinesiology and Leisure Science, University of Hawaii Department of Sports Medicine, University of Hawaii School of Medicine Department of Pediatrics, Hawaii Medical Service Association, Kaiser Permanente, Kapiolani Medical Center for Women and Children, Keiki Injury Prevention Coalition, Hawaii Primary Care Association, Coalition for a Tobacco Free Hawaii, and Coalition for a Drug Free Hawaii assist DOH in the development of the statewide strategic plan. Requests report to the 2006 Legislature.

Public Health; Influenza Pandemic. (SR60, SD1) Acknowledges that the World Health Organization recently issued a dramatic warning that bird influenza could trigger an international pandemic that could kill up to 7,000,000 people worldwide and that because the new virus will probably originate from Asia, where the bird influenza is already spreading, it follows that Hawaii may be among the first American lines of defense. Strongly urges the Governor, the Director of Health, and the Director of Civil Defense to take immediate measures on the state, federal, and global levels to prepare to respond effectively to the possible global influenza pandemic. Requests that the Governor and the Director of Health seek all possible assistance from other state and federal sources to help meet this challenge and submit a detailed plan to address the possibility of an influenza pandemic spreading to Hawaii from Asia to the Legislature before the 2006 Regular Session.

The Queen's Medical Center; On-call Crisis Study. (HCR229, HD1, SD1) Requests the Legislative Reference Bureau (LRB) and the Department of Health (DOH) to conduct studies, in coordination with each other, to evaluate the impact of the physician on-call crisis on the ability of The Queen's Medical Center Trauma Center to provide emergency medical

services in the State and to recommend any appropriate government and private sector actions in response. Requests DOH, in its part of the study, to include an analysis of the pertinent issues and LRB, in its part of the study, identify and analyze any appropriate government response to the on-call crisis. Requests DOH and LRB to interview and seek the input of as many stakeholders as possible for their respective parts of the study. Allows DOH and LRB to contract with private contractors to facilitate the completion of the study. Requires a report to the Legislature before the 2006 Regular Session.

MENTAL HEALTH

Maui Memorial Medical Center; Child and Adolescent Psychiatric Services. (SCR93, SD2)

Requests the Department of Health and Hawaii Health Systems Corporation to facilitate a stakeholder group to develop and implement crisis stabilization services at Maui Memorial Medical Center. Requests that the development process include assisting the Center in assuring that the stabilization services are reimbursable services from third party payors; developing a timeline for initiating urgent crisis stabilization services for children; addressing the possibility of tele-psychiatry services; exploring a partnership with Tripler Army Medical Center's Psychiatry Department; and exploring collaborative arrangements between psychologists, pediatricians, primary care providers, and psychiatrists to ensure that coverage is available twenty-four hours a day, seven days a week. Requests that a report be submitted to the Legislature before the 2006 Regular Session.

Medicaid; Preservation of Coverage and Benefits. (SCR44; SR22) Urges the President of the United States, the United States Congress, and Centers for Medicare and Medicaid Services to preserve the amount of Medicaid coverage and the amount of benefits.

Mental Health Awareness Month; May. (SCR63) Requests the Governor to designate the month of May as Mental Health Awareness Month. Encourages Hawaii residents to participate in this observance.

Prescription of Psychotropic Medication by Psychologists; Interim Task Force. (HCR255, HD2)

Establishes an interim task force on the accessibility of mental health care to consider solutions to providing adequate quality mental health care in medically under-served areas of Hawaii by mental health professionals including psychiatrists and psychologists. Establishes that the task force shall include two designees from the Hawaii Psychiatric Medical Association and two from the Hawaii Psychological Association, as well as the Chairpersons of the House Committee on Health and the Senate Committee on Health or their designees. Requests a report to the Legislature before the 2006 Regular Session.

OTHER ISSUES

Airports; Smoke-Free From Cabin to Curb. (HCR99) Requests the Governor and the Director of Transportation to designate Hawaii's airports as completely smoke-free from airplane cabin to airport curb with appropriate "No Smoking" signs and public service announcements in the State's airports. Requests the Governor and the Director of Transportation to enforce this policy prohibiting smoking in all of Hawaii's airports.

Athletic Health Care Trainers; Sunrise Review. (HCR67, SD1) Recognizes that while athletic health care trainers are medical professionals certified by the National Athletic Trainers Board

of Certification, the public has difficulty discerning the difference between athletic health care trainers, personal trainers, and boxing trainers, thereby causing a risk that unqualified non-credentialed persons will misrepresent themselves as "trainers" and mislead the public into believing that they are receiving care from health care professionals. Requests the Auditor to perform a sunrise review regarding the regulation of athletic health care trainers and to submit its findings and recommendations to the Legislature before the 2006 Regular Session.

Comprehensive Vog Emissions Monitoring System. (SCR135, SD1; SR73, SD1) Acknowledges that the Department of Health (DOH) Clean Air Branch is actively engaged in developing an SO₂ monitoring plan and a vog advisory for applicable areas on the island of Hawaii, and expects to prepare a report addressing the necessary approach including the number of stations, locations, quality assurance measures, advisory system, scheduling, material costs, and labor requirements by the end of 2005. Requests DOH to share its findings and report on the plan with the Big Island community and report to the Legislature before the 2006 Regular Session.

Emergency Contraception; Interagency Work Group. (HCR10, HD1, SD1) Acknowledges that a productive Emergency Contraception Interagency Work Group with representatives from the public and private sectors has met regularly for over three years and has outlined priorities to promote emergency contraception awareness, increase utilization, and monitor the impact of the program. Requests that the Director of Health provide any necessary administrative support to the Emergency Contraception Interagency Work Group and that representatives from other agencies participate in the work group. Requests the work group to develop a mechanism to effectively disseminate information on the availability of over-the-counter emergency contraception. Requests a report to the Legislature by 12/31/05.

Federally Qualified Health Centers; Statewide Development. (HCR77, HD1) Recognizes that federally qualified health centers are a vital tool in keeping medically under-served communities and uninsured people healthy and disease-free. Urges the State to support existing federally qualified health centers and identify statewide sites that would benefit from the development of more federally qualified health centers. Requests the Centers for Medicare and Medicaid Services and Health Resources and Service Administration to support the efforts of the State.

State of Hawaii; Smoke-Free. (SCR196; SR106) Requests the Governor, the Legislature, and the Mayors and councils of the respective counties to take the necessary steps to make Hawaii a smoke-free state by the year 2010.

Water Quality; DOH Standards and Practices in Upcountry Maui. (HCR222, HD1, SD1) Requests the Department of Health (DOH) to review its water quality standards and practices, focusing on upcountry Maui, including standards and procedures for timely public notification by Maui water systems administrators of any violations or health concerns posed by system contaminants or additives. Requests DOH to work closely with the upcountry Maui community and the Maui County Department of Water Supply to address citizen concerns including plans for remediation of the system, the health impacts of any current or future additives, and the establishment of a system to receive and respond to citizen concerns. Requests the Director of Health to petition the federal Environmental Protection Agency (EPA) to review adherence to EPA lead and copper rules. Requests report to the Legislature before the 2006 Regular Session.

HIGHER EDUCATION

Highlights of Accomplishments of the Senate Committee on Higher Education

SB1256, HD1, proposes an amendment to Article X, section 6, of the Hawaii State Constitution. The amendment modifies the appointment process for the Board of Regents by granting authority to a candidate advisory council to nominate individuals from a pool of qualified candidates. The qualified candidate will then be appointed by the Governor, by and with the advice and consent of the Senate. The Committee on Higher Education found that modifying the selection process for the Board of Regents as provided in this measure would increase the regents' autonomy, modernize the University's governance, and strengthen the selection process by providing an independent screening body to identify outstanding candidates.

SB1257, SD2, HD2, CD1, proposes to improve the University of Hawaii Board of Regents (BOR) member selection process by ensuring, as much as practicable, that the candidates for the BOR are well-qualified individuals who will place the health and vitality of UH and its students, faculty, and administration above personal gain and to remove as much political influence or pressure as possible from the process. The candidate advisory council would recommend two to four candidates for each place on the Board of Regents within thirty days of a vacancy occurring. The Governor would select one nominee from that list. The advisory council would have to follow specified criteria for candidate qualification. The Committee on Higher Education found that the present system of direct nomination of members of the Board of Regents by the Governor has the potential for being overly political and thus interfering with the desire of the Legislature to increase the autonomy of the University of Hawaii system. The system of nomination could be considerably improved by narrowing the choice of nominees to a list of individuals who have been carefully chosen by a knowledgeable candidate advisory council representing diverse interests and concerns of the people of Hawaii relative to their public university system.

SB116, SD2, HD2, CD1, establishes a nursing scholar program under the University of Hawaii to alleviate the nursing shortage in the State by increasing the supply of nurses with advanced degrees who can become nursing educators. The Act takes effect on July 1, 2005 and authorizes the University of Hawaii to grant scholarships to students enrolled in a graduate degree program in nursing in a public or private post-secondary educational institution in this State. Upon completion of the graduate degree, the student must commence nursing instruction in this State for a period of time equal to the number of years that the student received a scholarship grant. The Committee on Higher Education found that one of the reasons for the nursing shortage was the lack of a sufficient number of qualified faculty. Another reason was the diminishing rate of financial returns in pursuing a graduate level nursing education when a baccalaureate level education will more than ensure a steady career.

Bills Passed

AUTONOMY

UH; Autonomy. (HB20, SD1) Excludes the accounts of the University of Hawaii and the Department of Education from supervision by the State Comptroller by extending the sunset date of the existing exclusion to June 30, 2006.

BOARD OF REGENTS

Constitutional Amendment; UH; Board of Regents. (SB1256, HD1) Proposes a constitutional amendment to establish that the University of Hawaii Board of Regents shall be nominated and, by and with the advice and consent of the Senate, appointed by the Governor from pools of qualified candidates presented by the candidate advisory council.

UH; Board of Regents; Candidate Advisory Council. (SB1257, SD2, HD2, CD1) Establishes the candidate advisory council to screen and propose candidates for appointment to the Board of Regents (BOR) of the University of Hawaii. Provides that the advisory council shall consist of seven members, one each appointed by: the President of the Senate, the Speaker of the House of Representatives, the Governor, the All Campus Council of Faculty Senate Chairpersons of the University of Hawaii, the University of Hawaii Student Caucus, the Association of Emeritus Regents, and the University of Hawaii Alumni Association. Increases the number of BOR members from 12 to 15. Requires ten of the BOR members to represent specific geographic areas. Establishes that BOR members shall serve no more than two consecutive five-year terms. Provides that if a member is appointed to a second term of five years, the Senate will consider the question of whether to reconfirm the member at least 120 days prior to the conclusion of the member's first five-year term. Clarifies that every BOR member may serve beyond the expiration date of the member's term until the member's successor has been appointed and confirmed by the Senate.

FINANCES

Emergency Appropriation for Flood Losses. (SB667, SD2, HD2; Act 44) Appropriates \$25,000,000 for fiscal year 2004-2005 out of the state risk management revolving fund to the Department of Accounting and General Services to be deposited into the general fund. Appropriates \$22,000,000 for fiscal year 2004-2005 from the general fund to the University of Hawaii for cleaning, repairing, or replacing damaged or destroyed University property, and reimbursing the University for funds that have already been spent cleaning, repairing, and replacing damaged or destroyed property as a result of the October 20, 2004 flood.

UH; Revenue Bonds; Housing Units. (HB19, HD2, SD2, CD1) Establishes provisions relating to support facility for variable rate revenue bonds under the university projects law. Amends provisions relating to the Board of Regents of the University of Hawaii and the issuance of revenue bonds to help finance construction and repair of student housing by allowing UH to use sources other than those generated through the bond system. Authorizes the issuance of \$100,000,000 in revenue bonds for the construction and maintenance of any university housing units.

NURSING SCHOLARS PROGRAM

Nurses; Scholarship Program. (SB116, SD2, HD2, CD1) Establishes the nursing scholars program under the University of Hawaii to attract nurses with a bachelor's degree in nursing into a master's or doctoral program to prepare them for academic careers. Finds that the primary reason Hawaii's nursing schools turn away students is the lack of qualified faculty. Allows the University to provide scholarship grants to an eligible student who is a resident of this State and confirmed to have been accepted for enrollment in an approved graduate course of study. Requires the student to enter into a written agreement to satisfy all degree requirements; commence nursing instruction within one year after completion of a degree for a period of one year for each academic year the student received a grant; and reimburse the State if the student fails to comply. Requires an annual report to the Legislature and Governor. Appropriates \$20,000 for fiscal year 2005-2006 to the University of Hawaii for the program.

OTHER MEASURES

Decriminalization of Non-Serious Offenses. (HB1749, HD2, SD2) Requires the Legislative Reference Bureau to continue the review process commenced under House Concurrent Resolution No. 261, HD1, SD1, (2004), by periodically identifying, reviewing, and analyzing all state statutes (other than the Hawaii Penal Code) and rules that establish criminal offenses specifically denominated as misdemeanors, petty misdemeanors, or criminal offenses that authorize imprisonment or fines in excess of \$1,000, or both, but that involve conduct for which, typically, only a fine is imposed. Requires the Bureau to provide the Judiciary with a list of these offenses and for the Judiciary to identify any offenses that involve conduct for which, typically, only a fine is imposed and those that most frequently appear before the courts. Requires the Bureau to contact the departments with jurisdiction over the offenses to help determine whether the offenses may be decriminalized. Requires a report to the Legislature.

Resolution(s) Adopted

OPERATIONS

Mauna Kea Science Reserve; Audit. (SCR68, SD1, HD1) Requests the Auditor to conduct a follow-up audit of, and address various matters relating to, the adequacy of the maintenance, operation, and management of the Mauna Kea Science Reserve. Requests a report to the 2006 Legislature.

UH; Energy Efficient Performance Standards. (SCR173) Requests the Center for Smart Building and Community Design to develop energy efficient design standards for new and retrofitted buildings throughout the University of Hawaii system. Requests a report to 2006 Legislature.

RESEARCH

UH; Lyon Arboretum. (SCR174) Requests the University of Hawaii to work with the Lyon Arboretum community steering committee and submit a report regarding its efforts to

improve conditions at the Lyon Arboretum. Requests a progress report on 8/1/05 and a final report to the 2006 Legislature.

Stem Cell Research. (SCR200, SD1, HD1) Requests the University of Hawaii to establish and head a task group to conduct a study on the feasibility of encouraging stem cell research in Hawaii. Requires the University to identify and examine ethical, technical, policy, and financial issues, and to host public forums. Requests a report to the 2006 Legislature.

OTHER MEASURES

Global Youth Center in Hawaii. (HCR151, HD1) Supports the planning of a Hawaii Global Youth Center and wide-ranging and diverse dialogue on the purpose, activities, and funding sources for the Center.

HUMAN SERVICES

Highlights of Accomplishments of the Senate Committee on Human Services

SB556, SD2, HD2, CD1, addresses the most complex and emotional issues surrounding contested custody issues during divorce proceedings in the family court, that of parents' participation in raising their child. This measure allows the court, during a contested custody proceeding, to take into consideration when awarding custody the importance of frequent, continuing, and meaningful contact with both parents. It encourages both parents to share the responsibility of raising their child. This measure requires both parents to submit a mutually agreed or individually desired parenting plan with a divorce complaint and answer. The parenting plan can include parental responsibilities and parenting time. The measure sets forth criteria that parents can refer to and use as a guideline in developing their parenting plan. If the parents cannot agree on a parenting plan, the court can order parents to participate in alternative dispute resolution and counseling from a professional, unless there is a finding of family violence. It also provides opportunities for the court or the parents to revise or change the parenting plan from time to time.

In **HB140, HD1, SD2, CD1**, the Legislature found that Hawaii, like other states, receives limited Temporary Assistance for Needy Families (TANF) funds to replace the previous system of welfare, and that the following are necessary to evaluate how TANF funds are implemented and expended: (1) public input over the implementation of use of TANF funds; (2) conducting hearings to receive public input; and (3) performing evaluations of TANF program spending. Evaluations can provide the Legislature with specific and accurate details concerning how welfare reform is working. They also provide a critical opportunity to correct and identify program deficiencies, identify new needs, and review areas for expansion and innovation to better serve the intended target groups. This measure requires the Department of Human Services to make all data available relating to TANF funds to the legislative committees having primary jurisdiction over fiscal, health, and human services issues, upon request. The committees will jointly evaluate the implementation of the state TANF program and program expenditures and make annual recommendations for appropriations. This measure also allows the Legislature to conduct hearings to receive public comment relating to the implementation of the state TANF program and how funds have been expended, and requires no less than one hearing annually on each island of the State.

SB1772, SD1, HD2, CD1, enables the State to determine which employers are shifting the responsibility for providing health care coverage for their workers to taxpayers. This measure requires that each applicant for medical assistance under any program administered by the Department of Human Services must identify the employer of the proposed beneficiary of medical assistance and submit to the Legislature an annual report before October of each year, identifying all employers who employ twenty-five or more beneficiaries of medical assistance programs administered by the department. This report will include: (1) each employer's name and names of subsidiaries that employ beneficiaries of department medical assistance programs; (2) the location of the employer; (3) for each department medical assistance program, the total number of the employer's employees and dependents who are enrolled in the program; and (4) the total cost to the State per year of providing medical assistance benefits for the employees and enrolled dependents of each identified employer. The report shall not include the name of any medical assistance program beneficiary and shall be subject to applicable privacy standards under the

Medicaid regulations as well as the administrative simplification provisions of HIPAA with respect to the nondisclosure of certain identifying information of beneficiaries in the annual report to the Legislature. The annual report will be available for public review.

Bills Passed

CHILDREN

DHS; Kapiolani CARE Program; Appropriation. (SB27, SD1, HD1, CD1) Appropriates \$200,000 to Kapiolani Medical Center for Women and Children to fund the Kapiolani Child At-Risk Evaluation Program for fiscal year 2005-2006.

Caregiver Consent for Minor's Health Care. (SB40, SD1, HD1) Authorizes a minor's caregiver to consent to health care services for the minor. Allows a caregiver who has a notarized affidavit of caregiver consent for a minor's health care to consent on behalf of a minor to medical and dental care and diagnostic testing. Establishes requirements for caregiver consent affidavit. Provides that the affidavit of caregiver consent for a minor's health care shall be superseded by written notification from the minor's parent, guardian, or legal custodian to the health care professionals providing services to the minor that the affidavit has been rescinded. Requires that any person who relies in good faith on the affidavit of caregiver consent for a minor's health care shall: (1) have no obligation to conduct any further inquiry or investigation; and (2) not be subject to civil or criminal liability or to professional disciplinary action because of such reliance.

Child Support Enforcement; Non-Custodial Parent. (SB675, HD1; Act 26) Clarifies that any child, not only a custodial child, may be the subject of a child support order. Requires the income of an obligor to become subject to withholding without regard to whether there are arrearages or delinquency, when the agency receives a request for income withholding from the obligee and a determination is made by the agency that income withholding is appropriate, or when the agency receives the request for income withholding from the obligor. Requires the obligor and the obligee to file with the state case registry, through the Child Support Enforcement Agency, upon entry of the support order, information on the identity and location of the party, including social security number, residential and mailing addresses, telephone number, driver's license number if different from social security number, and name, address, and telephone number of the party's employer, and to update it as appropriate. Permits the agency to forward a copy of the notice of medical support by regular mail or by transmission through electronic means. Provides that a dependent child's insurance coverage shall not be terminated prior to the expiration of the duty of support or entry of an order relieving the responsible parent of the duty to provide insurance coverage, unless it is determined by the agency that insurance coverage is being provided through appropriate alternative means. Allows the agency to terminate the requirement for the responsible parent's employer or union to enroll the dependent child as a beneficiary in the group medical insurance plan and withhold any required premium from the responsible parent's income by sending a notice to the employer or union by regular mail or by transmission through electronic means; and requires such notice to be issued upon a determination by the agency that the obligor no longer is required to provide medical insurance coverage or that such coverage is being provided by another employer.

Family Child Care Home; Minors. (SB1210; Act 20) Repeals the 6/30/05 sunset date of the family child care home law.

Missing Child Center-Hawaii. (HB582, HD1; Act 32) Changes the name of the "Hawaii State Clearinghouse for Missing Children" to "Missing Child Center-Hawaii."

ELDERLY AFFAIRS

Palolo Chinese Home; SPRBs. (SB1872, HD1, CD1) Authorizes the issuance of \$40,000,000 in special purpose revenue bonds to assist Palolo Chinese Home, a Hawaii not-for-profit corporation, in financing the capital costs related to the expansion, construction, and rebuilding of its health care facilities.

HEALTH CARE COVERAGE

Medicaid; Department of Human Services. (HB1317, HD1, SD1, CD1) Prohibits the Department of Human Services from taking any action to remove pharmaceutical benefits management from managed care plans that provide health care coverage for medicaid beneficiaries. Requires the Department of Human Services to submit a report to the 2006 Legislature on the impact of carving out pharmaceutical benefits management from managed care plans that provide health care coverage medicaid beneficiaries. Requires the report to include: (1) an analysis of the cost elements of pharmaceutical benefits management by the Department of Human Services versus pharmaceutical benefits management under the QUEST-managed care plans, including generic utilization, and using available rebate information and reasonable estimates to calculate net pharmacy costs and comparative cost savings; (2) a comparison of the quality and efficacy of the different classes of drugs on the Department of Human Services' preferred drug list and those of the QUEST-managed care plans; and (3) comparisons of the effects on management of care, patient care, including access and quality, and the impact on physicians, pharmacists, and other health care providers. Requires the report to exclude from its analysis pharmacy utilization, costs, and rebate information relating to the medicaid population that will receive pharmacy coverage under medicare part D beginning 1/1/06. Requires that in developing the report, the Department of Human Services shall conduct community roundtables for purposes of including input, data information, and concerns from all affected stakeholders.

HOSPITALS

Federally Qualified Health Centers and Rural Health Clinics. (HB1060, HD2, SD2) Requires that federally qualified health centers and rural health clinics be reimbursed in accordance with the Social Security Act. Provides that the services of federally-qualified health centers and rural health clinics remain mandatory.

PARENTS

State Commission on Fatherhood. (SB1780, SD2, HD2, CD1) Extends the sunset date for the State Commission on Fatherhood to 6/30/07, and transfers the Commission from the Office of the Lieutenant Governor to the Department of Human Services.

Family Court; Shared Parenting. (SB556, SD2, HD2, CD1) Requires the submission of an individual or joint parenting plan with a divorce complaint and answer. Allows a parenting plan to include parental responsibilities and parenting time; allow the parents to develop a more detailed agreement on an informal basis; and provide details regarding what may be included in the plan. Allows the court to consider the importance of frequent, continuing, and meaningful contact of each parent with the child unless the court finds that a parent is unable to act in the best interest of the child. Defines "meaningful contact." Amends the definition of "joint custody" to mean an order awarding legal custody of the minor child pursuant to a parenting plan that will assure frequent and meaningful contact with both parents.

PRESCHOOLS

Licensing; Private Preschools. (SB1018, SD1, HD1, CD1) Creates a temporary private preschool licensing and accreditation task force under the Department of Human Services for administrative purposes to develop recommendations for licensing and accreditation standards, policies, and procedures for private elementary schools serving children under the age of five. Requires that the task force, when developing recommendations for licensing and accreditation standards, policies and procedures, use as a guideline the policies and procedures of the Western Association of Schools and Colleges and the health and safety standards of the Department of Human Services. Requires that the task force submit a report of its findings and recommendation to the Department of Human Services and the Legislature, including any recommended legislation, before the convening of the Regular Session of 2006. Requires the report to serve as a basis for legislation or for administrative rule amendments by the Department of Human Services.

PUBLIC ASSISTANCE

TANF Funds; Public Input. (HB140, HD1, SD2, CD1) Authorizes the Senate and House of Representatives committees having jurisdiction over fiscal, health, and human services matters to have joint legislative oversight responsibilities and to conduct oversight hearings regarding the expenditure of Temporary Assistance for Needy Families funds (TANF) and implementation of TANF programs. Requires the Department of Human Services, to the extent allowable, to make available to the committees all data relating to TANF.

OTHER ISSUES

Civil Service; Preserve Social Worker Series Classifications. (HB1146, HD1, SD2) Requires the Department of Human Resources Development, before 1/1/06 and in consultation and coordination with other agencies and departments, to develop a transition plan covering employees within the social worker series who do not possess a social work degree. Provides that the plan does not apply to the Judiciary, Hawaii Health Systems Corporation, and the

counties. Requires that beginning 7/1/05, all persons who enter state service within the executive branch in the job classification series of social worker shall possess a bachelor's, master's, or doctoral degree in social work.

Requires that all positions that were reallocated from the social worker series to the social worker/human services professional series that are still occupied by the incumbents of the positions when the reallocations took place shall be placed in a class within the social worker series, and that employees who do not have a social work degree shall be reallocated to a class within the human services professional series on 7/1/10, if they do not obtain a degree in social work prior to that date. Requires that beginning 7/1/10, all persons employed by the executive branch as a social worker, excluding the Hawaii Health Systems Corporation, shall have a bachelor's, master's, or doctoral degree in social work.

Requires the Department of Human Resources Development to submit a report to the Legislature before the convening of the Regular Session of 2006, which shall include the transition plan and actions taken to separate the social worker and human services professional.

Medical Assistance; Disclosure of Applicant's Employer. (SB1772, SD1, HD2, CD1) Requires each applicant for medical assistance under programs administered by the Department of Human Services to identify the employer of the proposed beneficiary of medical assistance, and if the proposed beneficiary is unemployed, to identify the employer of any adult who is responsible for providing the proposed beneficiary's support. Defines "proposed beneficiary." Requires the Department of Human Services to submit to the Legislature before October 1 of each year a report identifying all employers who employ 25 or more beneficiaries of medical assistance programs administered by the Department of Human Services. Requires the report to comply with applicable privacy standards. Requires the Department of Human Services to make available the annual report for public review.

State Funds; Emergency and Budget Reserve Fund; Appropriations. (SB1620, SD2, HD2, CD1) Extends lapse date of appropriations contained in Act 45, Session Laws of Hawaii (SLH) 2004, from 6/30/05 to 6/30/07, for appropriations to Hawaii Youth Services Network, Family Support Services of West Hawaii, Friends of Foster Kids, Na Lei Wili Area Health Education Center, Parents and Children Together, Boys and Girls Club of Hawaii, Ho'omau Ke Ola, and Kokua Kalihi Valley Comprehensive Family Services. Appropriates funds from the emergency budget and reserve fund for the following health and human services programs, including grants, subsidies, and purchase of services, for fiscal year 2005-2006 as follows:

- \$208,000 for the Children's Justice Center as a purchase of service to provide treatment services for child victims of intrafamilial sexual abuse, including psychological treatment and case management services for child victims and their families who are not covered under the child protective services system of the Department of Human Services;
- \$636,000 for the Kapiolani Medical Center for Women and Children Sex Abuse Treatment Center for the provision of sexual assault direct services throughout Hawaii;
- \$100,000 for the Catholic Charities of the Diocese of Honolulu for the Lanakila Multi-Purpose Senior Center;
- \$25,000 for the senior center program at the Moiliili Community Center;

- \$55,000 for the senior support program at the Waikiki Community Center;
- \$120,000 for the St. Francis Medical Center for the operations of the bone marrow registry;
- \$450,000 for staff salaries including a full-time physician, a half-time psychologist, two full-time nurses, one substance and abuse counselor, and other support staff necessary for the operation of the West Hawaii community health center located in Kailua-Kona on the island of Hawaii;
- \$750,000 for the emergency room at Waianae District Comprehensive Health and Hospital Board Inc. dba Waianae Coast Comprehensive Health Center;
- \$2,250,000 for indigent care at Hana Community Health Center (\$750,000), Kahuku Hospital (\$750,000), and Molokai General Hospital (\$750,000);
- \$200,000 for dental health services for the indigent at the Oral Health Institute of the Pacific;
- \$250,000 for the Hawaii Primary Care Association to pay for technology, acquisition, expansion, or upgrading of facilities and equipment necessary to provide dental services at federally qualified health centers;
- \$485,000 for payment of residential services provided by developmental disabilities domiciliary homes and developmental disabilities apartment complexes;
- \$900,000 for supporting and expanding the chore services program to provide high-quality elder care as well as disabled services to Hawaii's elderly and disabled populations;
- \$500,000 for the Hawaii Youth Services Network for its Transitional Living Program for Unserved Street Youth;
- \$250,000 for home instruction for parents of preschool children in West Hawaii by the Family Support Services of West Hawaii;
- \$96,000 for Hale Mahaolu;
- \$250,000 for the Kapiolani Medical Center for Women and Children for the Kapiolani C.A.R.E. program;
- Clarifying that the Act 45, SLH 2004, Section 36, appropriation of \$85,000 to assist in the completion of the Teen Center at Nanakuli High and Intermediate School is to be made to the Boys and Girls Club of Hawaii and is to include the Teen Center's operations;
- \$175,000 for the Domestic Violence Legal Hotline for Maui program services;
- \$1,000,000 for homeless assistance, of which \$935,000 is to the Housing and Community Development Corporation of Hawaii and \$65,000 is to the Honolulu Community Action Program, Inc.;

- \$170,000 for Maui Economic Opportunity, Inc., and its night transportation service for dialysis treatment programs in Maui County;
- Clarifying that the Act 45, SLH 2004, Section 39, appropriation of \$25,000 for the Weed and Seed Program to collaborate with and support existing programs on the Waianae Coast is to be made to Ho'omau Ke Ola;
- \$100,000 for Kokua Legal Services, Inc., to provide legal and housing assistance to low income families; and
- \$30,000 for Kapiolani Community College for nurse training, including a clinical component, teaching by qualified instructors, nurses review course, and certified nursing assistance course.

Resolution(s) Adopted

CHILDREN

Children of Incarcerated Parents; Strengthen Family Bond; Task Force. (SCR128, SD1)

Requests the Department of Public Safety, the Department of Human Services, and community partners to establish a task force to identify and develop appropriate programs and services for children of incarcerated parents and to provide support for incarcerated parents, where appropriate. Requests the Directors of Human Services and Public Safety to report findings and recommendations to the 2006 Legislature.

Healthy Start Program; Advisory Board and Planning Task Force. (SR130, SD1)

Designates the Hawaii Family Support Institute as an official Advisory Board to the Healthy Start program to provide consultation, technical assistance, and resources, with the goal of strengthening and streamlining the program to improve outcomes. Requests the Advisory Board to convene a task force to work with the Healthy Start program in restructuring the program for greater effectiveness, and for the Department of Health to serve as the facilitator of the task force. Request that the Advisory Board and the Planning Task Force goals and areas of focus for the planning and restructuring sessions to include: (1) strengthening the program focus on and effectiveness of interventions in prevention of child abuse and neglect based on strategies of nurturing, promoting capacity through parallel process, addressing family risk factors, and strengthening protective factors; (2) reducing program complexity, streamlining requirements related to IDEA and OSEP to enable staff to achieve goal (1) above; (3) considering restructuring intensity of services, such as a two-tier system based upon severity of risk; (4) considering restructuring contract goals in terms of outcomes required by funders and establishing output monitoring within quality assurance at program and state-wide levels; (5) considering piloting curriculum to structure home visits and ensure inclusion of basic activities to promote positive child development; (6) reviewing and considering evidence based best practices to enhance overall program effectiveness, particularly related to engagement and retention and outcome indicators, with a view to incremental piloting and state-wide adoption; and (7) considering reallocating more resources to training and TA mentoring to enhance staff effectiveness and to program outcome data evaluation for regular reports to funders. Requests the Department of Health to report to the Legislature prior to the 2006 and 2007 Regular Sessions.

Healthy Start Program; Statewide Interagency Task Force. (HCR277) Extends the Statewide Interagency Task Force for one more year, and requests the task force work to achieve the following: (1) implement a general plan for tracking, monitoring, assessing, and reporting on progress on indicators related to achievement of the overall goal; (2) complete discussion on topics identified but not addressed by the task force; (3) develop any necessary legislation. Requests the task force to report to the 2006 Legislature.

Healthy Start Program; Task Force. (SCR227, SD1, HD1) Requests the Department of Health and the Advisory Board to convene a task force to work with the Healthy Start programs in restructuring the program for greater effectiveness, and that the department serve as the facilitator of the task force. Requests that the goals and areas of focus for the planning and restructuring sessions include: (1) strengthening the program focus on and effectiveness of interventions in prevention of child abuse and neglect based on strategies of nurturing, promoting capacity through parallel process, addressing family risk factors, and strengthening protective factors; (2) reducing program complexity, streamlining requirements related to IDEA and OSEP to enable staff to achieve goal (1) above; (3) considering restructuring intensity of services, such as a two-tier system based upon severity of risk; (4) considering restructuring contract goals in terms of outcomes required by funders and establishing output monitoring within quality assurance at program and state-wide levels; (5) considering piloting curriculum to structure home visits and ensure inclusion of basic activities to promote positive child development; (6) reviewing and considering evidence based best practices to enhance overall program effectiveness, particularly related to engagement and retention and outcome indicators, with a view to incremental piloting and state-wide adoption; and (7) considering reallocating more resources to training and TA mentoring to enhance staff effectiveness and to program outcome data evaluation for regular reports to funders. Requests the Department of Health to report to the Legislature prior to the 2006 and 2007 Regular Sessions.

ELDERLY AFFAIRS

Kokua Council; 2005 Model Legislature. (SCR95) Urges the Kokua Council to convene the 2005 Model Legislature and its pre-event activities. Encourages the members of the Legislature to actively support this event by, among other things, volunteering to give presentations at community forums, offering the use of the Capitol facilities, and promoting participation from citizens in their districts.

Viable Naturally Occurring Retirement Communities; Task Force. (SCR79, SD1, HD1) Requests the Executive Office of Aging, in collaboration with the Real Estate Commission, to convene a task force to develop a program and reference guide to assist in the dissemination of information regarding the issues, needs, and concerns related to aging-in-place, particularly in condominiums, housing cooperatives, and other high density living environments. Requests the task force to identify issues and problems that inhibit the establishment of naturally occurring retirement communities and provide potential solutions on how condominium and housing associations and other real property organizations may be able to expedite and pursue the most cost-effective avenue in order to resolve these issues and problems. Requests the task force to further: (1) facilitate the establishment of viable naturally occurring retirement communities; (2) publish information regarding elderly care services and resources, including a guide to educational materials about aging issues; (3) submit a report to the Legislature detailing proposed costs for publication and distribution of an educational guide relating to aging issues; and (4) survey the general conditions and the

number of elderly living in condominiums and apartments, the types of problems the elderly are encountering, and how the elderly groups can positively contribute their skills and time to the community. Requests the task force to report to the 2006 Legislature.

HOMELESS

Humane Alternatives; Relocating Homeless People. (SCR186, SD1, HD1) Requests the federal, state, county governments, and community partners to: (1) designate, with input from the community, areas within large public facilities such as public parks, unused government facilities, and abandoned military facilities as places where the homeless can stay under existing health and safety rules and regulations; (2) emphasize to the homeless that such areas are not permanent sites, but a temporary housing area as part of resolving the homeless issue, and that they will be provided assistance in locating to permanent housing during a transitional period; and (3) develop a policy that may limit the hours of utilization by the homeless on these designated sites and adopt a policy that will also address the issue of separating individuals, couples, and families within the designated sites.

HOUSING

Federal Housing Assistance; Affordable Intergenerational Housing. (SCR21) Requests the United States Congress to continue to review the issue of affordable and adequate intergenerational housing, including housing for grandparent-headed and relative-headed households, and to consider further legislation in increasing the availability of such housing.

PRESCHOOLS

Pilot Public-Private Partnership Program; Hawaii Association of Independent Schools and Hawaii Catholic Schools Department; Private Preschools. (HCR175, HD1) Requests the Department of Human Services (DHS) to implement a pilot public-private partnership program with the Hawaii Association of Independent Schools (HAIS) and Hawaii Catholic Schools Department (HCSD) with the goal of eventually HAIS and HCSD to self-regulate and manage their private preschools. Requests the HAIS and HCSD to work in conjunction with DHS, the current licensing authority for all private preschools, as part of a cooperative partnership to set up health and safety standards for private preschools. Requests DHS, HAIS, and HCSD to provide the Legislature with the best regulatory options that will enable HAIS and HCSD to report to the 2006 Legislature.

PUBLIC ASSISTANCE

Fiscal and Management Audit; Department of Human Services use of TANF Funds. (HCR58) Requests the Auditor to conduct a fiscal and management audit of the Department of Human Services and its use of federal Temporary Assistance to Needy Families funds. Requests the Offices of the Governor and the Lieutenant Governor and the Department of Human Services to fully cooperate with the Auditor in the conduct of the audit. Requests the Auditor to report to the 2006 Legislature.

TANF Budget Information; Website. (HCR278) Requests the Department of Human Services to post budget information on its website for public review, and to include comprehensive budget information relating to Temporary Assistance for Needy Families (TANF) as follows: (1) at the department level, by providing a breakdown of expenditures for each division; (2) at the division level, by specifying a breakdown of expenditures for each program ID; (3) by program ID, by specifying a breakdown of expenditures for each program; and (4) by individual program, by specifying a breakdown of expenditures for each contract, and including the names of the contractors. Requests the department to update the website when TANF budget information is updated, at least on an annual basis.

INTERGOVERNMENTAL AFFAIRS

Highlights of Accomplishments of the Senate Committee on Intergovernmental Affairs

HB78, HD1 (Act 5), makes it unlawful for any person to manufacture, sell, display, permit to be displayed, or possess any reproduction, imitation, or facsimile of a license plate with a similar design, shape, size, and color as the official license plate issued by the City and County of Honolulu. This language strengthens existing law on fraudulent license plates by making detection of auto theft easier for police. Auto theft in Honolulu, with thousands of motor vehicles, is a huge problem for police.

HB864, SD1, CD1, clarifies that county ordinances prohibiting billboards and outdoor advertising devices extend to those located in the airspace or waters beyond the boundaries of the county that are visible from any public highway, park, or other public place located within the county, unless the ordinance specifies that it does not apply. This bill arises from a court case that challenged Honolulu's ordinances that prohibited aerial advertising. The case involved the use of airspace advertising in the form of a plane towing a large sign near shore waters so as to be visible from the shore.

HB1309, HD2, SD2, CD1, allows the counties to establish by ordinance a county surcharge on the state excise tax of up to 0.5 percent on general excise tax and use tax for capital costs of mass transit and transportation systems. This measure was handled jointly with the Committee on Transportation and Governmental Operations, whose highlights more fully describe the measure.

Bills Passed

COUNTY OPERATIONS

Counties; Unpaid Civil Fines; Liens. (HB393, HD1, SD1, CD1) Requires that unpaid county civil fines that are added to the taxes, fees, or charges of the county do not become a part of any taxes, fees, or charges. Allows the county to condition the issuance or renewal of a license, approval, or permit for which a fee or charge is assessed on the payment of unpaid civil fines. Creates a lien in favor of the county for the amount of unpaid civil fines upon all real property or rights to real property belonging to any person liable for the unpaid civil fines that is subordinated to liens recorded or registered prior to the county lien.

Taxpayer Information. (SB1685, SD2, HD1, CD1) Establishes provisions relating to reciprocal supplying of tax information between the State and counties. Authorizes a tax official of any county to disclose any records relating to the administration of real property taxes to a tax official of the State. Amends administration of taxes, income tax, and transient accommodations tax provisions to allow the Department of Taxation to permit the counties to inspect tax returns.

COUNTY REGULATIONS

Fraudulent License Plates. (HB78, HD1; Act 5) Prohibits a person from manufacturing, selling, displaying, permitting to be displayed, or possessing any reproduction, imitation, or facsimile

of a license plate with a design, shape, size, and color similar to the official license plates contracted for the director of finance of the City and County of Honolulu.

Outdoor Advertising; Billboards; Regulation by Counties. (HB864, SD1, CD1) Clarifies that a county's ordinances prohibiting billboards or outdoor advertising devices extend to those that are located in the airspace or waters beyond the boundaries of the county where visible from any public highway, park, or other public place located in the county, unless the county ordinance specifies that it does not apply.

OTHER ISSUES

Emergency 911; Retaining Recordings (HB1320, HD1, SD1, CD1) Requires each county public safety answering point to retain the recordings of all emergency 911 telephone calls and radio dispatches for not less than one year.

Public Meetings; Board Members; Permissible Discussion. (HB551, HD1, SD2, CD1) Allows two members of a board to discuss between themselves matters relating to official board business to enable them to perform their duties faithfully, as long as no commitment to vote is made or sought and the two members do not constitute a quorum of their board. Provides that final actions that violate the open meetings and public notice laws may, rather than shall, be voidable upon proof of violation, rather than wilful violation.

State Fire Council; Administration of Federal Grants. (SB1478, SD1) Requires the State Fire Council to administer federal grants received for fire-related projects.

JUDICIARY AND HAWAIIAN AFFAIRS

Highlights of Accomplishments of the Senate Committee on Judiciary and Hawaiian Affairs

HB1747, HD1, SD1, CD1, is a comprehensive campaign spending reform measure that establishes new restrictions regarding the use of state and county government facilities for fundraising purposes, limits the total amount of contributions that may be received by a candidate or candidate committee for each reporting period from nonresident donors, and limits the ability of state and county contractors to make, promise, or solicit campaign contributions at any time between the execution of the government contract through the completion of the government contract. This measure also clarifies the disposition of campaign contributions in the event the candidate, committee, or individual who receives contributions fails to file a nomination for that election, withdraws, or ceases to be a candidate. This measure expands the electronic filing of reports with the appropriate county clerk or Campaign Spending Commission to include a candidate or candidate committee for State Senate, State House of Representatives, and the Office of Hawaiian Affairs. This measure limits the use of campaign contributions to community service, educational, youth, recreational, charitable, scientific, or literary organizations from the date the candidate files nomination papers to the date of the general election. Finally, this measure requires the disclosure of the terms of a loan, including the interest and repayment schedule, made to a candidate. The Committee on Judiciary and Hawaiian Affairs found that this measure is designed to address concerns in the community with respect to reforming Hawaii's campaign spending laws by increasing transparency and accountability in the conduct of political campaigns and elections.

SB708, SD2, HD2, CD1 (Act 45), is Hawaii's version of "Megan's Law", which properly balances the rights of sex offenders with the right of the public to access pertinent information concerning these offenders. This measure establishes separate registries for sex offenders and offenders against children as well as clarifies both the type and scope of registration information that must be provided by a sex offender. This measure also establishes specific registration periods and corresponding levels of public access to offenders' information that are applicable to certain categories of sex offenders. Public access to an offender's public information commences the next working day following the filing of a judgment of conviction, a finding of unfitness to proceed, or an acquittal due to mental disease, disorder, or defect. Public access ceases upon the reversal of a conviction, the granting of a pardon to the offender, the expiration of a statutorily established time period for public access, or upon the successful petition for termination of public access by an offender. This measure also permits the early termination of registration and public access requirements, subject to judicial approval, after a hearing has been held on the offender's petition and the offender is able to satisfy specific statutory criteria. A sex offender is able to petition the court once every five years for early termination of registration and public access requirements. This measure also clarifies the continuing obligation of the sex offender to provide or update registration information. The Committee on Judiciary and Hawaiian Affairs found that this measure complies with both federal law requirements as well as the constitutional amendment passed by Hawaii voters in 2004 that provided that the public has a right of access to registration information regarding persons convicted of certain offenses against children as well as persons convicted of certain sexual offenses.

Bills Passed

I. Judiciary

CIVIL LAW

Civil Rights; Discrimination; Real Estate and Financial Transactions. (HB1715, HD1, SD1)

Prohibits discrimination based on sexual orientation, gender expression, and gender identity in the sale, exchange, rental, or lease of real property as well as in financial transactions. Defines gender expression, gender identity, and sexual orientation. Creates an exemption for renting or leasing housing accommodations owned or operated by religious institutions and used for church purposes or are part of a religiously affiliated institution of higher education housing program which is operated on property owned or controlled by the institution.

Civil Rights; Employment Discrimination; Gender Expression and Identity. (HB1450, HD2, SD1)

Clarifies that discrimination on the basis of gender identity or expression constitutes sex discrimination. Defines "gender identity or expression." Prohibits discrimination on the basis of gender identity or expression by employers, labor organizations, and employment agencies.

Claims Against the State; Appropriation. (SB673, SD2, HD2, CD1; Act 55)

Makes appropriations to satisfy claims against the State, its officers, or employees due to overpayment of taxes, refunds, reimbursements, payments of judgments and settlements, and other liabilities.

Domestic or Pet Animal Trusts. (HB1453, HD1, SD1)

Recognizes the validity of a trust created for the care of one or more designated domestic or pet animals. Establishes standards relating to the interpretation of the trust instrument, disposition of trust assets, termination of the trust, and the appointment and role of the trustee. Clarifies that a court may modify the amount of property transferred from the testator's estate to the trust if the amount intended substantially exceeds the amount required and there is no substantial adverse impact in the care, maintenance, health, or appearance of the designated domestic or pet animal.

COURTS

Court Appointed Counsel; Attorney Fees. (HB384, HD2, SD2, CD1)

Increases the maximum allowable amounts of compensation for court appointed counsel based upon the type of case. Raises the hourly rate of compensation for court appointed counsel to \$90 an hour. Clarifies the types of family court cases that are included within this fee schedule.

District Court; Small Claims Court; Jurisdiction. (SB615, SD1; Act 12)

Clarifies that a district court having jurisdiction over a civil action involving a summary possession dispute between a landlord and tenant shall also have concurrent jurisdiction with the small claims division of the district court over a security deposit dispute arising in a residential landlord-tenant relationship involving the same parties.

Family Court; Temporary Restraining Orders. (HB1378, HD1, SD2, CD1)

Permits a petition for a temporary restraining order (TRO) to be filed in an ongoing divorce or child custody proceeding to the extent practicable. Provides that any decree or order issued in a divorce or child custody proceeding subsequent to a petition for a TRO being filed or an order issued, in the discretion of the court hearing the divorce or child custody proceeding, may

supersede in whole or part orders issued under the TRO provisions. Clarifies that factual findings and rulings made in connection with the granting or denying of a TRO may not have a binding effect in any other family court proceeding and that the court is to give de novo consideration to the facts and circumstances alleged in making later determinations affecting the parties, including determinations of custody and visitation.

Judiciary; Court Interpreting Services Revolving Fund; Appropriation. (SB617, SD1, HD1, CD1)

Establishes the Court Interpreting Services Revolving Fund to support court interpreting services program's educational services and program activities relating to the training, screening, testing, and certification of court interpreters. Exempts this fund from the central service assessment as well as its pro rata share of administrative expenses for special funds. Appropriates \$100,000 from this fund for each year of the 2005-2007 fiscal biennium.

Judiciary; Delinquent Receivables. (HB497, HD1) Broadens the types of delinquent receivables that the Judiciary is able to write off as uncollectible to include monetary assessments, fees, surcharges, penalties, sanctions, court costs, and other payments that are past due. Modifies the annual reporting requirement for these uncollected delinquent receivables to summarize the immediately preceding fiscal year only.

Judiciary; Reports to the Legislature. (HB1745, HD1, SD2, CD1) Exempts the Judiciary from reporting to the Legislature the justification for the establishment of a new account or fund and the sources of revenue for that fund. Repeals the requirement that the Judiciary submit an annual report to the Legislature summarizing the types and amounts of delinquent fines and restitution. Exempts the Judiciary from submitting an annual report to the Legislature detailing future objectives, policies designed to achieve those goals, and evaluation criteria or methodology to measure outcomes to the Legislature. Repeals the reporting requirement imposed on the State Council for Interstate Adult Offender Supervision regarding the activities and expenses of this entity. Repeals a joint annual reporting requirement imposed on the Judiciary and Department of Commerce and Consumer Affairs regarding the status and results of a program for computer based digital and electronic filing of court documents. Exempts the Judiciary from submitting an annual report on outsourcing or privatizing services.

Judiciary Appropriations Act of 2005. (HB500, HD2, SD2, CD1) Provides necessary appropriations and authorizations for the operations and capital improvement projects of the Judiciary for the 2005-2007 fiscal biennium. Increases the Judiciary's budget by \$9,644,308 in general funds for fiscal year 2005-2006 and \$9,394,425 in general funds for fiscal year 2006-2007 for collective bargaining raises as well as judges and director pay raises authorized under Act 123, Session Laws of Hawaii 2003. Appropriates an additional \$751,998 in general funds for fiscal year 2005-2006 and \$623,161 in general funds for fiscal year 2006-2007 to support the Drug Court Program. Appropriates \$297,388 in general funds for fiscal year 2005-2006 and \$470,162 for fiscal year 2006-2007 for the operating expenses of the new Kauai County Court Complex. Appropriates \$359,491 in general funds for fiscal year 2005-2006 and \$322,691 in general funds for fiscal year 2006-2007 to replace federal funding ending April 2005 for the Juvenile Sex Offender Program. Appropriates \$170,000 in general funds for each year of the fiscal biennium for the Hawaii State Law Library to subscribe to the most current law books and periodicals. Appropriates \$86,524 for each year of the fiscal biennium to permanently establish the "Kids First" parent education program. Appropriates \$40,000 and \$50,000 for each year of the fiscal biennium for the Children's Justice Center Program. Appropriates \$27,000 for each year of the fiscal biennium to provide security guard services for juvenile detention in the Third Judicial Circuit. Provides \$95,000,000 in capital

improvement funding for the Kapolei Judiciary Complex to secure 13.6 acres of land from the Estate of James Campbell.

Judiciary Computer System Special Fund; Emergency Appropriation. (SB1864, SD1; Act 36)

Makes an emergency appropriation of \$1,500,000 from the Judiciary Computer System Special Fund for fiscal year 2004-2005 to cover unexpected costs associated with the implementation of the Judiciary Information Management System.

Penal Code Review; Appropriation. (HB1763, HD2, SD2, CD1)

Requires the Judicial Council to convene a committee, comprised of law enforcement and corrections officials, community members, attorneys, and victim advocacy groups to conduct a comprehensive review of the Hawaii Penal Code. Requires the submission of a report to the Legislature twenty days prior to the convening of the 2006 Regular Session on possible amendments to the Penal Code that are consistent with the principles and philosophy of the Code as well as ensure the continued force and effectiveness of the Code. Appropriates \$75,000 in fiscal year 2005-2006 to support the work of the committee.

Traffic Infractions; Adjudication. (SB621, HD1; Act 48)

Prohibits a penal sanction that includes imprisonment from applying to violations of a state statute or rule, or county ordinance or rule, that would constitute a traffic infraction. Increases the time period to respond to a traffic infraction from 15 to 21 days. Requires the notice of a traffic infraction to include a statement of the total amount to be paid for each traffic infraction, including any fee, surcharge, or monetary assessment required by statute, ordinance, or rule. Allows a person to answer a notice of a traffic infraction through the Internet or telephone by submitting payment of the total amount stated on the notice of the traffic infraction through a debit or credit card.

CRIMINAL LAW

911 Emergency Service. (HB313; Act 17)

Establishes the misdemeanor criminal offense of misuse of 911 emergency telephone service for an individual who accesses 911 and knowingly causes a false alarm or makes a false complaint or a report of false information in reckless disregard of the risk that a public safety agency will respond by dispatching emergency services.

Aggravated Criminal Property Damage; Penalty. (HB1709, SD1, CD1)

Creates a new misdemeanor offense of aggravated criminal property damage for an individual who intentionally damages the property of another without the other person's consent and has been convicted two or more times of criminal property damage in the third or fourth degree in the preceding five years.

Criminal Trespass; Public Parks and Recreational Grounds. (HB806, HD1, SD1, CD1)

Repeals amendments made to the offense of criminal trespass in the second degree by Act 50, Session Laws of Hawaii 2004, by deleting references to public property. Establishes a new petty misdemeanor offense of criminal trespass onto public parks and recreational grounds for an individual who remains unlawfully in or upon a public park or recreational grounds after a request to leave is made by a law enforcement officer, when the request is based upon a violation of any term of use specified on a sign or notice posted on the property or a violation of any term of use contained in, or on the expiration of, any permit relating to the person's presence on the property.

Disposition of Convicted Defendants. (SB1796, SD1, HD1, CD1) Amends provisions of Act 161, Session Laws of Hawaii 2002, by providing that a person sentenced for a first-time drug offense prior to 7/1/02 may apply for: (1) re-sentencing if that person is able to demonstrate to the court a satisfactory record of drug treatment and abstinence as well as a record free of any criminal conviction from the date of the person's sentencing for the first time drug offense to the date of the application for re-sentencing; and (2) expungement of the related conviction and arrest records. Sunsets on 12/31/06.

Nuisance Abatement. (SB700, SD1, HD1, CD1) Clarifies that a preponderance of the evidence is the standard of proof applicable to nuisance abatement actions. Authorizes a court to issue a protective order against defendants involved in a nuisance abatement action who have engaged in acts of violence or made prior threats of violence against a witness. Subjects an individual who knowingly violates a protective order to civil as well as criminal contempt of court. Enables a court to enter an order suspending or revoking any business, professional, operational, or liquor license of an entity or individual involved in maintaining, aiding, abetting, or permitting the nuisance.

Petty Misdemeanors. (HB496; Act 18) Eliminates statutory inconsistencies in the maximum term of imprisonment that may be imposed for conviction of a petty misdemeanor.

Sexual Conduct; Definition; Housekeeping Amendment. (SB681; Act 10) Removes a duplicative definition of sexual conduct from a section of the Hawaii Penal Code.

Victim Restitution. (HB278, HD1, SD1, CD1) Increases by \$5 the compensation fees that a court may impose on a defendant. Prioritizes the order in which a defendant's court ordered payments shall be made as follows: restitution, crime victim compensation fee, probation services fee, other fees, and fines.

ELECTIONS

Campaign Spending. (HB1747, HD1, SD1, CD1) Provides that it shall be unlawful for any person to solicit a donation of money or other thing of value in connection with an election campaign in a government facility that is used for the discharge of official duties by an officer or employee of the State or county. Clarifies that this prohibition does not apply to any government facility that permits use by non-governmental organizations for a fee or with reservations, provided that the use regulations of the facility do not prohibit political activities on the premises. Creates a new misdemeanor offense for violations of this prohibition.

Limits contributions from nonresident individuals, except for a member of the candidate's immediate family, to 20 percent of the total contributions received by a candidate or candidate's committee for each reporting period. Defines separate segregated fund to mean a noncandidate committee that is established by a state or national bank, a corporation, or a labor organization for the purpose of making contributions or expenditures to influence the nomination for election or the election of any candidate to political office, or for or against any issue on the ballot. Defines a noncandidate committee as a committee that has the purpose of making contributions or expenditures to influence the nomination for election, to elect any candidate to political office, or for or against any issue on the ballot. Clarifies that each candidate shall have only one authorized candidate's committee.

Prohibits the Campaign Spending Commission (Commission) from censuring a candidate who fails to comply with the code of fair campaign practices. Requires the filing of an organizational report within 10 days of filing nomination papers for office or the date the candidate or candidate's committee receives contributions or makes expenditures that amount to more than \$100 in the aggregate during the applicable election period. Exempts an elected official who is seeking re-election to the same office in successive elections from filing an organizational report, unless the candidate is required to report changes in information relating to the name and address of the candidate, committee, campaign treasurer or deputies, campaign chairperson or deputy, or the listing of all banks, safety deposit boxes, or other depositories with an account number. Requires a noncandidate committee to file an organizational report within 10 days of receiving contributions or making expenditures that amount to more than \$10,000 in the aggregate in a two-year election period.

Reduces the amount of time from 10 years to 4 years that all reports filed with the county clerk's office must be maintained and stored. Requires a candidate or the committee of a candidate seeking election to the State Senate, State House of Representatives, or Office of Hawaiian Affairs to file reports by electronic means. Provides a waiver from electronic filing requirements.

Prohibits contributions from campaign funds to community service, educational, youth, recreational, charitable, scientific, or literary organizations from the date the candidate files nomination papers to the date of the general election. Requires the return of any excess contributions to the original donor, within 30 days of receipt, or the excess contribution escheats to the Hawaii Election Campaign Fund.

Prohibits state and county contractors, who enter into any contract with the State, counties, or any State or county agency or department for the rendition of personal services; the buying of property; furnishing any materials, supplies, or equipment; and selling land or property where payment is made, in whole or part, from government funds, to directly or indirectly make any contributions or to promise expressly or impliedly to make any contribution to any political party, committee, candidate, or any person for any political purpose or to knowingly solicit any contribution from any person for any purpose between the execution of the contract through the completion of the contract. Defines completion of the contract. Clarifies that this restriction does not prohibit or make unlawful the establishment or administration of, or the solicitation of contribution to, any separate segregated fund by any state or national bank, corporation, or labor organization for the purpose of influencing the nomination for election or the election of any person to office. Allows the Commission to establish by rule contribution limits for limited liability companies, limited liability partnerships, and limited liability limited partnerships.

Defines surplus or residual funds as unspent money from contributions held by a candidate or committee after a general or special election and after all campaign expenditures have been paid. Permits surplus or residual funds to be used after a general or special election for any fundraising activity.

Amends the provisions relating to preliminary and final reports that a candidate committee and noncandidate committee must file with the Commission or appropriate county clerk's office. Requires a candidate committee and noncandidate committee to itemize disbursements to consultants, advertising agencies, and similar firms, credit card payments,

salaries, and candidate reimbursement in such a manner that a reasonable person is able to determine the ultimate intended recipient of the expenditure and its purpose. Requires the return of a campaign contribution to the donor within 30 days of deposit if information relating to the amount and date of the contribution and the name and address of each donor is not on file with the Commission or appropriate county clerk's office.

Amends provisions relating to the disposition of funds by requiring candidates, committees, and individual who receive contributions for an election, but fail to file nomination papers for that election to return all residual funds to the donors no later than 90 days after the date on which nominations for that election must be filed. Contributions not returned to the original donor shall escheat to the Hawaii Election Campaign Fund. Provides that candidates, committees, and individuals who withdraw or cease to be candidates or committees because of death, term limits, disqualification, resignation, or other personal reasons shall return all residual funds to the donor no later than 90 days after the candidate or committee ceases to be a candidate or committee. Clarifies conditions under which candidates and the committee of a candidate who are either elected to office or fail to be nominated or elected to office may expend surplus funds.

Clarifies provisions of Hawaii's election law relating to public funding of elections. Provides a maximum amount of \$1,500 in public funds for candidates to the Office of Hawaiian Affairs as well as requires qualifying contributions that in the aggregate exceed \$1,500. Excludes candidates in a special primary from being eligible to receive public funding. Requires a candidate to obtain a minimum amount of qualifying contributions once for the election period and makes a candidate eligible to receive for each election that the candidate's name appears on the ballot, the minimum payment in an amount equal to the qualifying campaign contributions and payments of \$1 for each \$1 of qualifying contributions in excess of the minimum amount of qualifying contributions.

Excludes individuals who have been charged with knowingly or intentionally falsifying any report required under Hawaii's election law relating to campaign contributions and expenditures with the intent to circumvent the law or deceive the Commission or violate prohibitions against anonymous contributions or contributions made under a false name from being eligible for a deferred acceptance of a guilty or nolo contendere plea.

Elections; Candidate Nomination Forms. (HB119, HD1; Act 13) Allows only the last four digits of a registered voter's social security number on nomination papers filed on behalf of a candidate.

Elections; Personnel; Voter Registration Information. (HB1712, HD1, SD1) Prohibits the Chief Election Officer from contracting with a political action committee or organization created for a political purpose to provide election-related services. Establishes that a person who unlawfully uses, prints, publishes, or distributes any voter registration information acquired directly or indirectly from voter registration affidavits or any list prepared from these affidavits shall be guilty of a misdemeanor. Precludes a reciprocal beneficiary of a candidate from serving as a precinct official in any precinct where votes may be cast for that candidate. Clarifies that a poll watcher appointed by a political party may be present at any time in each precinct or absentee polling place where candidates of that political party are on the ballot. Permits poll watchers to review the poll book.

Elections; Precinct Chair. (HB894; Act 14) Removes the requirement that the precinct chair of a polling place be of the same political party as the Governor.

Office of Elections; Employees. (HB460, HD2, SD1, CD1) Clarifies that the Chief Election Officer may hire employees who are subject to civil service and excluded from collective bargaining. Exempts employees of the Office of Elections from any collective bargaining unit.

Voting; Electronic Voting Systems. (HB1740, HD1, SD2) Prohibits the use of an electronic voting system in any election unless it produces a paper ballot that may be inspected and corrected by the voter before the vote is cast, and unless every paper ballot is retained as the definitive record of the vote cast. Allows the Chief Election Officer to rely on electronic tallies generated by an electronic voting system, subject to various requirements including: (1) inspecting, auditing, and testing the system before and after the election; (2) no upgrades, patches, fixes, or alterations shall be applied to the system through 30 days after the election; (3) the Chief Election Officer conducts a post-election, pre-certification audit of a random sample of not less than 10 percent of the precincts employing the electronic voting system to verify that the electronic tallies equal the hand tallies of the paper ballots generated by the system in those precincts; and (4) in the event discrepancies appear in the pre-certification audit, the Chief Election Officer shall immediately conduct an expanded audit to determine the extent of misreporting in the system. Creates a new election fraud offense for a person who, directly or indirectly, personally or through another, wilfully designs, alters, accesses, or programs any electronic voting system to inaccurately record, tally, or report votes cast on the electronic voting system.

PUBLIC SAFETY

Community-Based Reintegration Programs for Female Offenders; Appropriation. (HB1750, SD2, CD1) Appropriates \$100,000 in fiscal year 2005-2006 to support community-based reintegration programs for female offenders transitioning from prison back into the community.

Interstate Compact for the Supervision of Adult Offenders. (SB620, SD1) Establishes the duties and responsibilities of the State Compact Administrator who oversees the State Council for Interstate Adult Offender Supervision (Council). Clarifies that members of the Council, with the exception of the Director of Public Safety, shall serve four year terms and no member of the Council shall be appointed consecutively to more than two terms. Establishes a Deputy Compact Administrator for Parole from the Hawaii Paroling Authority and a Deputy Compact Administrator for Probation from the Judiciary.

SEXUAL OFFENDERS

Sex Offender Registration and Public Access. (SB708, SD2, HD2, CD1; Act 45) Establishes registration and public access requirements for covered offenders to comply with an amendment to the Hawaii Constitution approved by voters in 2004 and federal law requirements. Creates two separate registries for sex offenders and offenders against minors. Defines "sex offenders" and "offenders against minors." Mandates lifetime registration for sexually violent predators, aggravated sex offenders, and repeat covered offenders. Defines "sexually violent predator," "repeat covered offender," and "aggravated sex offender."

Permits the termination of registration requirements in a civil proceeding for certain types of covered offenders. Requires a court to make a determination, when a petition for

termination of registration requirements is filed, as to whether the covered offender making the request is a sexually violent predator. Establishes a process and procedure for making this determination. Provides that a covered offender convicted of a class A felony or its non-Hawaii equivalent, who has substantially complied with registration requirements for the previous 25 years and is not a sexually violent predator, an aggravated sex offender, or a repeat covered offender, may petition the court for termination of registration requirements on the basis that registration is no longer necessary for the protection of the public. Allows a covered offender convicted of a class B felony or its non-Hawaii equivalent, who has substantially complied with registration requirements for the previous 15 years and is not a sexually violent predator, an aggravated sex offender, or a repeat covered offender, to petition the court for termination of registration requirements on the basis that registration is no longer necessary for the protection of the public. Allows a covered offender convicted of a class C felony or its non-Hawaii equivalent, who has substantially complied with registration requirements for the previous 10 years and is not a sexually violent predator, an aggravated sex offender, or a repeat covered offender, to petition the court for termination of registration requirements on the basis that registration is no longer necessary for the protection of the public. Provides that a denial by a court of a petition to terminate registration requirement precludes the filing of a subsequent petition for five years. Establishes presumptions to be applied in this civil proceeding. Tolls the period of time to be calculated when the covered offender is committed or recommitted to prison or confined to a halfway house, or an equivalent facility, pursuant to a parole or probation violation. Clarifies the type of registration information that a covered offender must provide when subject to registration requirements.

Requires public access to a covered offender's registration information beginning the next working day following the filing of a judgment of conviction, a finding of unfitness to proceed or an acquittal due to mental disease, disorder, or defect. Establishes specific time periods under which public access to registration information shall continue for certain types of covered offenders. Allows public access to be accomplished by Internet access, on-site public access, or a combination of both methods depending on the type of covered offender. Permits a covered offender to petition a court in civil proceeding to terminate public access when a statutorily established period of time has elapsed based upon the type of covered offender. Establishes a process and procedure for termination of public access.

Amends the offense of failure to comply with covered offender registration requirements by providing that a person commits this offense if a person is required to register and the person intentionally, knowingly, or recklessly fails to mail or deliver the periodic verification of registration information form to the Attorney General within ten days of receipt. Provides an affirmative defense for alleged violations of this offense.

OTHER ISSUES

Ethics; Financial Disclosure Statements. (HB320, HD1, SD1, CD1) Requires the filing of a financial disclosure statement within 30 days of separation from a state position if a statement was not filed in the preceding 180 days before the separation. Extends the disclosure of all business interests held having a value of \$5,000 or more to include those that are out of state. Clarifies that real property disclosures include any in State and out-of-state real property interests with a value of \$10,000 or more. Excludes street addresses and the tax map key number of a personal residence as part of the real property interest disclosure.

Forensic Identification; Collection and Storage of DNA Samples; Establishment of State DNA Database and Databank Identification Program. (HB1733 HD2, SD2, CD1) Establishes the State DNA Database and Databank Identification Program administered by the Honolulu Police Department (HPD). Allows HPD to designate it or other appropriate entities to serve as repositories for blood specimens, buccal swab samples, and other biological samples. Permits these repositories to not only analyze blood specimens, buccal swabs, and other biological samples, but also store, compile, compare, maintain, and use DNA and forensic identification profiles and records for forensic casework, including crime scene or criminal investigations, and missing or unidentified persons. Permits the use of forensic profiles for training, research, statistical analysis of populations, and quality control testing.

Requires all DNA and forensic identification profiles and other identification information retained by the HPD to remain confidential and exempt from any law requiring public disclosure of this information. Permits a law enforcement agency to publicly disclose a DNA profile match or the name of the person identified by the match, and to release DNA or other forensic identification information to a jury, grand jury, or in a document filed with a court or administrative agency. Establishes procedures for the dissemination of DNA specimens, samples, DNA profiles, and other forensic identification information to law enforcement agencies and prosecutors outside of Hawaii. Allows a defendant to have access to all DNA or other forensic identification information pursuant to a court order.

Requires the collection and testing of buccal swab samples, print impressions, or, when authorized under the rules of the collecting agency, blood samples from individuals, excluding juveniles, who are convicted, plead guilty or no contest, or are granted a deferred plea to any felony offense, for law enforcement identification analysis. Authorizes the collection of blood specimens, buccal swab samples, or print impressions of eligible persons housed in correctional or detention facilities; persons on probation, parole or other forms of release; persons confined or in custody after conviction or adjudication; parole violators; persons accepted into Hawaii from other jurisdictions; and persons required to register as sex offenders.

Requires the immediate testing of all persons convicted of murder in any degree or any criminal offense that requires registration as a sex offender. Allows graduated testing for all other eligible persons upon publication of notice by the Attorney General. Establishes procedures for the collection of replacement specimens for samples found spoiled or unusable.

Establishes procedures for the collection, forwarding, processing, and testing of buccal swab samples, blood specimens, and print impressions. Limits civil and criminal liability of persons authorized to draw blood or obtain biological samples or print impressions when done in accordance with medically accepted standards or professional practices. Precludes civil and criminal liability against any law enforcement agency, department or employee for a mistake in confirming a person or sample's qualifying status for inclusion or placement within the database or data bank. Permits a civil cause of action, including damages in the amount of \$5,000 for each violation, for a knowing use or disclosure by HPD personnel of forensic identification information for other than criminal identification or exclusion purposes.

Provides that the detention, arrest, wardship, adjudication, or conviction of a person based upon a data bank match or database information is not invalidated if it is determined that the specimen, sample, or print impressions were obtained, placed, or retained in a data bank or database by mistake.

Establishes four new criminal offenses and penalties, including refusal or failure to provide specimen for forensic identification, fraudulent use or manipulation of biometric sample or information, and the unauthorized disclosure of DNA sample or profile.

Permits any person convicted and sentenced for a crime to file a motion at any time for DNA analysis of evidence that is in the custody or control of a police department, prosecuting attorney, laboratory, or court; is related to the investigation or prosecution that resulted in the judgment of conviction; and may contain biological evidence. Establishes process, procedure, and timetable under which a defendant may file a motion for post-conviction DNA testing. Requires a court to order DNA testing if specific statutory criteria are satisfied. Permits a court to order DNA testing if certain requirements are met. Establishes additional provisions relating to the retention of biological evidence, choice of laboratory, payment for testing, adjudicating successive motions, and additional orders that a court may issue. Establishes a process for the destruction of samples and expungement of searchable DNA database profile from the State DNA Database and Data Bank Identification Program.

Hawaii State Commission on the Status of Women; Transfer to Department of Human Services. (HB1393, HD2, SD1, CD1) Transfers the Hawaii State Commission on the Status of Women from the Office of the Lieutenant Governor to the Department of Human Services. Clarifies that the Commission is a permanent as opposed to a temporary state entity.

Hawaii State Identification Card; Frontal Photograph. (SB698, HD1; Act 47) Requires the Department of the Attorney General to take a full frontal photograph of an applicant's face for a Hawaii State Identification Card.

Statutory Revision Measure. (HB1221; Act 22) Amends, reenacts, or repeals various provisions of the Hawaii Revised Statutes and Session Laws of Hawaii to correct errors and references, clarify language, and delete obsolete or unnecessary provisions.

Uniform Information Practices Act; Disclosure of Personal Information. (HB553, HD1, SD1, CD1) Permits a government agency to withhold personal information contained in final opinions or orders made in the adjudication of cases where the disclosure of information would be a clearly unwarranted invasion of personal privacy. Prohibits the disclosure of social security number information of an individual under contract with the government.

Wireless Enhanced 911 Board. (HB685, SD1; Act 49) Modifies the composition of the Wireless Enhanced 911 Board by replacing the Director of Health or designee with the Comptroller or the Comptroller's designee.

II. Hawaiian Affairs

Hawaiian Homes Commission Act; Inheritance of Lessee Interest. (SB780; Act 16) Amends provisions of the Hawaiian Homes Commission Act of 1920, as amended, to allow lessees to designate brothers or sisters who are at least one-quarter Hawaiian to inherit their leasehold interest.

Hawaiian Homes Commission Act; Private Mortgage Insurance. (HB1413 HD1, SD1; Act 53) Amends the Hawaiian Homes Commission Act of 1920 to permit private lending institutions to

make mortgage loans on Hawaiian home lands provided that the loan is insured or guaranteed by any acceptable private mortgage insurance.

Office of Hawaiian Affairs; Disbursements. (HB447, HD1, SD1) Authorizes the Office of Hawaiian Affairs (OHA) to make all necessary and appropriate disbursements of its moneys by issuing checks in its own name or by other means. Permits the Department of Accounting and General Services, subject to approval by OHA, to continue to perform the payroll function of OHA. Effective 7/1/06.

Office of Hawaiian Affairs Appropriations Act of 2005. (HB450, HD2, SD2) Appropriates funds for the operation and administration of the Office of Hawaiian Affairs as well as outreach programs for the 2005-2007 fiscal biennium. Provides grants in fiscal year 2005-2006 for Alu Like, Na Pua No`eau, and the Native Hawaiian Legal Corporation. Requires the Office of Hawaiian Affairs to expend appropriated funds for beneficiary advocacy in fiscal year 2006-2007 in accordance with the State Procurement Code.

Resolution(s) Adopted

I. Judiciary

Classification of the Criminal Offenses of Assault and Terroristic Threatening; Task Force. (SCR141 SD1) Requests the Governor to convene a task force to study and determine whether classification of the offenses of assault and terroristic threatening based upon the occupation of the victim is warranted and if so, clarify or establish criteria for this occupation's inclusion as a specifically protected class. Establishes the membership of this task force to include the Attorney General, the Public Defender, a Chief of Police selected by all county Chiefs of Police, a Prosecuting Attorney selected by all county Prosecuting Attorneys, two members of the Criminal Defense Bar, a representative from the American Civil Liberties Union, and a member of the public, and requests that the task force be chaired by the Dean of the William S. Richardson School of Law. Requests that this task force also determine whether additional vocations or individuals should be included within the offenses of assault and terroristic threatening. Requests that the task force prepare any proposed legislation as well as submit its finding and recommendations to the Legislature before the convening of the 2006 Regular Session.

Wireless Telephone Use; Study. (HCR294 SD1) Requests the Legislative Reference Bureau to conduct a review of existing studies and statistics on the causal relationship between wireless telephone use while operating a motor vehicle and increase in motor vehicle-related accidents. Requests that the Legislative Reference Bureau submit its report, findings, recommendations, and any proposed legislation to the Legislature not later than 20 days before the convening of the Regular Session of 2006.

II. Hawaiian Affairs

Native Hawaiian Recognition; Akaka Bill. (HCR56, SD1) Requests the President of the United States and United States Congress to support the passage of S. 147, the Native Hawaiian Government Reorganization Act of 2005, otherwise known as the "Akaka Bill." Urges the United States Congress and the President of the United States, upon passage of the Akaka Bill, to expeditiously facilitate formal federal recognition of Native Hawaiians as indigenous people, and their self-governance and redress.

Highlights of Accomplishments of the Senate Committee on Labor

HB1608, HD1, SD1, CD1, authorizes the establishment of voluntary employees' beneficiary association (VEBA) trusts by a public employee organization for the provision of health benefits to employees and retirees who are members of the employee organization. Participation in a VEBA trust excludes employees and retirees from participation in the Hawaii employer-union health benefits trust fund. In the face of the escalating costs of health care not only in Hawaii, but also throughout the nation, alternate methods for the provision of health benefits to public employees must be explored and analyzed. The establishment of a pilot program for VEBA trusts will provide valuable insight to the viability of VEBA trusts as a cost-savings mechanism for the State. The measure authorizes the establishment of VEBA trusts for a period of three years in order to assess the benefits and detriments created by their establishment.

Although the minimum wage amount was recently increased, effective in 2003, the increase has failed to keep pace with the rate of inflation. As a result, a worker's purchasing power has continued to diminish over time. Prior to the most recent increase, no previous adjustment had been made to the minimum wage amount since 1993. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two jobs just to make ends meet. As it appears that we have now turned the corner, heading towards improved economic times, it is necessary to assist entry-level workers to allow them to share in this period of economic growth and prosperity. As a result, the Legislature passed **SB294, SD3, HD1, CD1**, which raises the minimum wage from \$6.25 per hour to \$6.75 per hour, effective January 1, 2006, and then to \$7.25 per hour, effective January 1, 2007.

Workers' compensation law reform is necessary and long overdue. Fundamentally, workers' compensation laws were enacted for the protection of the employees; however, the interests of all parties must be carefully weighed and considered, something the Legislature was mindful of in making changes to the workers' compensation law. The need for clear rules and regulations in this area is important, as well as for reasonable procedures that do not destroy the rights and privileges provided under the current law. Under **SB1808, SD1, HD1, CD1**, the Legislature has sought to protect the balance created by legislation between the interests of injured workers and their employers and carriers, and to protect the integrity of the separation of powers between the Legislature and the Executive Branch, while also amending certain provisions for further refinement of the law and the system. This measure codifies the administrative rules regarding the disability compensation division by incorporating into chapter 386, Hawaii Revised Statutes, the substantive definitions, standards, criteria, and policies in effect on January 1, 2005 under currently existing rules and regulations, policies, and case law in the relevant substantive areas in order to preserve and protect the prerogative of the Legislature and to prevent the abuse of power. This measure also appropriately provides for adequate care and assistance for injured individuals, through appropriate vocational rehabilitation, in order for them to return to gainful employment. Furthermore, the measure successfully clarifies issues of discovery, places reasonable limits on the amount of information required to be furnished by treating physicians, provides guidance on the award of attorney's fees, limits and suspends the Director's rulemaking authority to ensure that the current rules are maintained, authorizes the Insurance Commissioner to

investigate and prosecute complaints of workers' compensation fraud, and adds language relating to parties' successfully bringing a claim of fraud.

Bills Passed

I. Public Employment

COLLECTIVE BARGAINING

Scope of Negotiations. (SB1352, SD1, HD1, CD1) Provides that section 89-9(d), Hawaii Revised Statutes, shall not be used to invalidate any provision contained in a collective bargaining agreement in effect on 7/1/05. Authorizes negotiations over the procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions of public employees. Requires negotiations over the impact of transfers, assignments, and layoffs of public employees. Clarifies that violations of procedures and criteria negotiated may be subject to the grievance procedure in the collective bargaining agreement.

Units (1) and (10); Appropriation for Contributions to the EUTF. (SB1579, SD1, HD1, CD1) Appropriates funds for contributions to the Hawaii Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (1), nonsupervisory employees in blue collar positions, and (10), institutional, health, and correctional workers, and their excluded counterparts, for the fiscal biennium 2005-2007.

Units (1) and (10); Appropriation for Salary Increases and Cost Items. (SB944, SD1, HD1, CD1) Appropriates funds for salary increases and other cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (1), nonsupervisory employees in blue collar positions, and (10), institutional, health, and correctional workers, and their excluded counterparts, for the fiscal biennium 2005-2007.

Units (2), (3), (4), (6), (8), and (13); Appropriation for Salary Increases and Cost Items. (HB263, SD1, CD1) Appropriates funds for salary increases and other cost items in the agreements negotiated with the exclusive bargaining representatives of collective bargaining units (2), supervisory employees in blue collar positions; (3), nonsupervisory employees in white collar positions; (4), supervisory employees in white collar positions; (6), educational officers and other personnel of the Department of Education under the same pay scale; (8), personnel of the University of Hawaii and the community college system, other than faculty; and (13), professional and scientific employees, who cannot be included in any of the other bargaining units, for the fiscal biennium 2005-2007. Appropriates funds for salary increases and other cost items for state officers and employees of the Executive Branch, the Judicial Branch, and the Hawaii Health Systems Corporation, who are excluded from collective bargaining, for the fiscal biennium 2005-2007.

Units (2), (3), (4), (6), (8), (9), and (13); Appropriation for Contributions to the EUTF. (HB1599, SD1, CD1) Appropriates funds for contributions to the Hawaii Employer-Union Health Benefits Trust Fund in the agreements negotiated with the exclusive bargaining representatives of collective bargaining units (2), supervisory employees in blue collar positions; (3), nonsupervisory employees in white collar positions; (4), supervisory employees in white collar

positions; (6), educational officers and other personnel of the Department of Education under the same pay scale; (8), personnel of the University of Hawaii and the community college system, other than faculty; (9), registered professional nurses; and (13), professional and scientific employees, who cannot be included in any of the other bargaining units, for the fiscal biennium 2005-2007.

Unit (5); Appropriation for Contributions to the EUTF. (SB1580, SD1, HD1, CD1) Appropriates funds for contributions to the Hawaii Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5), teachers and other personnel of the Department of Education under the same pay schedule, including part-time employees working less than 20 hours a week who are equal to one-half of a full-time equivalent, and their excluded counterparts, for the fiscal biennium 2005-2007.

Unit (5); Appropriation for Salary Increases and Cost Items. (SB945, SD1, HD1, CD1) Appropriates funds for salary increases and other cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5), teachers and other personnel of the Department of Education under the same pay schedule, including part-time employees working less than 20 hours a week who are equal to one-half of a full-time equivalent, and their excluded counterparts, for the fiscal biennium 2005-2007.

Unit (9); Appropriation for Salary Increases and Cost Items. (HB1597, SD1, CD1) Appropriates funds for salary increases and other cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9), registered professional nurses, and their excluded counterparts in the Executive Branch, the Judicial Branch, and the Hawaii Health Systems Corporation, for the fiscal biennium 2005-2007.

Unit (11); Appropriation for Contributions to the EUTF, Salary Increases, and Cost Items. (HB260, SD1, CD1) Appropriates funds for contributions to the Hawaii Employer-Union Health Benefits Trust Fund, salary increases, and other cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (11), firefighters, and their excluded counterparts, for the fiscal biennium 2005-2007.

EMPLOYEES' RETIREMENT SYSTEM

Actuarial Equivalency of Benefit Options. (HB632; Act 56) Authorizes the Board of Trustees of the Employees' Retirement System (ERS) to approve the effect of post retirement allowance or of any other mandatory fixed scheduled increase in the benefits payable as an actuarial assumption for the purposes of determining the value of the available options.

Compromise or Settlement. (SB738, SD1, HD1, CD1; Act 57) Authorizes the Board of Trustees of the Employees' Retirement System (ERS) to compromise or settle any claim for benefits. Requires approval of the Attorney General for the compromise or settlement of claims that would result in an ERS member receiving benefits that the member would not otherwise be entitled to receive, including those claims arising out of a member's detrimental reliance on erroneous information provided by the ERS.

Membership Benefits. (HB631, HD1, SD2, CD1; Act 58) Establishes provisions relating to federal limits on annual compensation for ordinary death benefits. Requires annual limits on amounts paid to beneficiaries of any member of the Employees' Retirement System (ERS) who dies

while in service or on authorized leave without pay after 6/30/04, and before 7/1/06, and whose compensation earned during the year immediately preceding the member's death exceeds the annual limit. Requires pension, annuity, and retirement allowance payments from the system to be subject to income tax withholding requirements. Provides that a former member who has vested benefit status, and who returns to service before retirement shall become a member again and upon retirement the benefit shall be computed with the member's combined service included under the formula in effect at the time of retirement. Provides that county employees shall be included among state employees and faculty members at the University of Hawaii shall be included among teachers. Requires the State and counties to make monthly contributions to the system within 30 days after the end of the month. Establishes a method for changing Class C credited service to Class H. Amends the method for payment for credited services of Class A or B membership. Provides a maximum on retirement allowances for Class H members.

OTHER ISSUES

Deferred Compensation Plan; Board of Trustees; Election and Terms. (SB1194, SD1, HD2, CD1)

Requires five of the seven members of the Board of Trustees of the Deferred Compensation Plan (DCP) to be elected by the members of the plan. Requires the five elected trustees to serve four-year staggered terms, with each incumbent member in the five trustee positions to complete their current term with the initial and subsequent elections of a replacement to be conducted prior to the expiration of the staggered terms of each position. Provides that a vacancy shall be filled by appointment of the remaining trustees for the unexpired term of a trustee and until a newly elected successor is sworn into office. Requires the DCP to pay for all costs related to the elections of the trustees.

DOE Employees; Civil Service Benefits. (HB1614, HD1, SD2, CD1) Requires that, as of 7/1/05, Department of Education (DOE) civil service employees and members of the Executive Branch civil service system shall have the same benefits relating to transfer, reduction in force, promotion, medical placement, and seniority. Requires pay adjustments and other adjustments necessary to effectuate the movement of personnel between the DOE and the Executive Branch to be made pursuant to rules, policies, and procedures established by each respective director, if not otherwise provided for in a collective bargaining agreement. Sunsets 6/30/09.

EUTF; Board of Trustees; Composition, Terms, and Vacancies. (HB1548, HD1, SD1, CD1)

Requires the five trustees representing the employee-beneficiaries of the Hawaii Employer-Union Health Benefits Trust Fund to be appointed as follows: (1) three trustees shall be appointed from a list of two nominees per trustee selected by each of the three exclusive representative organizations that have the largest number of employee-beneficiaries; (2) one trustee shall be appointed from a list of two nominees selected by mutual agreement of the remaining exclusive employee representative organizations; and (3) one trustee representing retirees shall be appointed from a list of two nominees selected by mutual agreement of all eligible exclusive representatives. Prohibits input regarding nominations and representation on the Board of a bargaining unit that sponsors or participates in a voluntary employee beneficiary association trust. Provides that vacancies on the Board shall be filled in the same manner as the trustee who vacated that position was nominated or appointed, including the process for appointing the trustees representing retirees and employee-beneficiaries.

Excluded Employees; Compensation and Benefits Packages. (HB180) Requires the proposed adjustments to compensation and benefit packages for employees excluded from civil service to be at least equivalent to the adjustments provided under collective bargaining agreements for counterparts within the employer's jurisdiction.

Merit Appeals Board. (HB1222, HD1; Act 34) Authorizes the Merit Appeals Board to hear and decide appeals pending before and under the jurisdiction of the Civil Service Commission as of 6/30/02. Clarifies that included within the jurisdiction of the Board is the denial or loss of a promotional opportunity or a demotion due to the reclassification of a position in a reorganization. Requires the determination of whether an appeal falls within the jurisdiction of the Board to be liberally construed.

Paid Leave; Bone Marrow Donor; Organ Donor. (HB1318, HD1, SD1) Entitles any officer or employee in the service of the State or any county to seven days of paid leave each calendar year to serve as a bone marrow donor and 30 days of paid leave each calendar year to serve as an organ donor.

Salaries; Executive Branch. (SB807, SD1, HD1, CD1) Adjusts the salaries of various Executive Branch department heads, including: the Chief Election Officer, the Chair of the Hawaii Labor Relations Board, the Administrator of the State Procurement Office, the Manager of the Stadium Authority, the Deputy Manager of the Stadium Authority, the Vice-Director of Civil Defense, the Chair of the Public Utilities Commission, the Recycling Coordinator, the Director of the Executive Office on Aging, the Chair of the Hawaii Paroling Authority, the Director of the Office of Veterans' Services, the Chair of the Labor and Industrial Relations Appeals Board, the Commissioner of Financial Institutions, and the State Public Defender. Appropriates moneys for each year of the 2005-2007 fiscal biennium for funding the salary increases established under the Act.

Salaries; Legislative Service Agencies. (HB1528, HD2, SD2, CD1) Adjusts the salaries of the Auditor, the First Assistant or First Deputy to the Auditor, the Director of the Legislative Reference Bureau (LRB), the First Assistant to the Director of LRB, the Ombudsman, the First Assistant to the Ombudsman, and the Executive Director of the State Ethics Commission. Appropriates funds to the legislative agencies for salary increases and other cost items for officers and employees of the legislative agencies who are excluded from collective bargaining for fiscal year 2005-2006.

Substitute Teachers; Classification and Compensation Schedule. (SB1250, SD2, HD2, CD1; Act 70) Requires the Legislature to determine the minimum hourly or minimum per diem rate for substitute teachers effective 7/1/05. Requires the Department of Education (DOE) to develop a classification and compensation schedule that may exceed the minimum compensation rates. Requires an individual in Class I, II, or III who works less than a full seven-hour work day to be compensated on a pro-rated, hourly bases as follows: (1) not less than \$119.80 for a full work day for a Class I individual who does not possess a bachelor's degree; (2) not less than \$130 for a full work day for a Class II individual with a bachelor's degree; and (3) not less \$140 for a full work day for a Class III DOE teacher or licensed or highly qualified teacher. Appropriates funds for the 2005-2007 fiscal biennium for possible compensation adjustment for public school substitute teachers beginning on 7/1/05. Requires the DOE to submit its findings and recommendations, including the classification and compensation schedule and any proposed legislation, to the Legislature prior to the Regular Session of 2006.

VEBA; Health Benefits. (HB1608, HD1, SD2, CD1) Authorizes the establishment of Voluntary Employee Beneficiary Association (VEBA) trusts for a period of three years, in lieu of participation in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF), for the provision of health benefits to public employees and retirees belonging to a public employee organization that sponsors a VEBA trust. Provides current retirees, who were members of a public employee organization prior to their retirement, with a one-time option of electing to participate in either the Hawaii EUTF or a VEBA trust established by their public employee organization. Requires any VEBA trust established to be subject to the standards and requirements of ERISA. Sunsets on 7/1/08.

II. Private Employment

EMPLOYEE RIGHTS AND BENEFITS

Equal Pay; Task Force. (HB1305, HD1; Act 35) Prohibits an employer from discriminating between employees on the basis of gender by paying wages to an employee at a rate less than the rate at which the employer pays to another employee of the opposite sex for equal work that requires equal skill, effort, and responsibility, performed under similar working conditions, except when the difference results from a seniority system, a merit system, a system that measures earnings by quantity or quality of production, a bona fide occupational qualification, or a differential based on any other permissible factor other than sex. Establishes a five-year pay equity task force to review any relevant information to make recommendations for funds or specific actions to correct any gender-based pay inequities. Requires the task force to submit an annual report to the Legislature documenting its progress.

Meal Breaks. (SB55, SD1, HD2, CD1) Requires an employer to provide all employees with a rest or meal break period of at least 30 consecutive minutes for all employees who work a continuous shift of five or more hours, unless a collective bargaining agreement expressly provides for employee meal breaks. Excludes an employer who is the operator of a continuously operating facility that is regulated by an environmental permit, so long as an on-duty meal is provided, and an employer whose employee waives the meal break so long as the employee's work day is not shortened without permission of the employer. Permits an employer to apply for an exemption from the meal break requirement subject to the approval of the Director of Labor and Industrial Relations.

Sick Leave; Family Leave. (HB325, SD2, CD1) Authorizes the use of sick leave that is in excess of the minimum statutory equivalent required by the Department of Labor and Industrial Relations for temporary disability benefits for purposes of family leave. Amends the definition of "sick leave" under the Family Leave Act to include any benefit provided under an employee welfare benefit plan subject to ERISA and benefits not payable by the employer, but clarifies that unemployment compensation due to illness or disability is excluded.

WAGES

Electronic Pay Stubs. (SB61, SD1) Authorizes an employer to provide an employee an electronic record of the employee's total gross and net compensation, deductions, date of payment, and pay period covered, in lieu of a printed, typewritten, or handwritten record, upon receipt of written authorization from the employee. Requires an employer to retain an

electronic record for a period of at least six years that may be electronically accessed by the employee.

Minimum Wage Law; Increase. (SB294, SD3, HD1, CD1) Increases the minimum wage to \$6.75 per hour beginning 1/1/06, and \$7.25 per hour beginning 1/1/07. Replaces the term "seaman" with an individual employed on a ship or vessel and who has a Merchant Mariners Document issued by the United States Coast Guard, as applicable to the definition of "employee" under the state wage and hour law.

Prevailing Wages; Public Work Projects. (SB962, SD2, HD2, CD1) Requires the Director of Labor and Industrial Relations to establish prevailing wages based upon the sum of the basic hourly rate and the cost of an employer of providing a laborer or mechanic with fringe benefits. Establishes the manner by which the Director shall make prevailing wage determinations by making separate findings of the basic hourly rate and the rate of contribution or cost of fringe benefits paid by the employer when the payment of the fringe benefits by the employer constitutes a prevailing practice. Provides that the cost of fringe benefits shall be reflected in the wage rate scheduled as an hourly rate. Provides that the rates of wages the Director regards as prevailing shall be the modal rate, the rate of wages paid to the greatest number of those employed in the State in the corresponding classes of laborers and mechanics on projects that are similar to the contract work.

OTHER ISSUES

Apprenticeships; Standards for Agreements; Council. (SB1889, SD1, HD2, CD1) Requires "standards for apprenticeship agreements" to include: (1) assurances of qualified training personnel, adequate job supervision on the job, and the requisite specialty licenses relevant to the trade or craft; and (2) assurance of compliance with the "equal to or better than" requirement in the instance of parallel programs. Requires the Director of Labor and Industrial Relations to establish an Apprenticeship Council whose purpose is to promote and approve apprenticeship programs consistent with the standards for agreements. Renders any provision within chapter 372, Hawaii Revised Statutes, on apprenticeships, to be inoperative if it jeopardizes the receipt by the State of any federal grant-in-aid or other federal allotment under the chapter.

Workers' Compensation Law. (SB1808, SD1, HD1, CD1) Mandates further requirements for vocational rehabilitation providers. Amends the procedures for hearings on claims; the scope of temporary total disability; the approval of attorney's fees; amending the requirements regarding the content of medical reports; and the law regarding the reimbursement of fees in fraud cases. Provides clarification on self-insurance procedures. Authorizes the Insurance Commissioner to prosecute fraud committed by an insurer or employer. Invalidates any workers' compensation rules adopted on or after 1/1/05. Suspends the Director of Labor and Industrial Relation's rulemaking authority until 7/1/05; however, authorizes the Director's continued authority to make annual updates in the medical fee schedule specific to the amount paid to medical providers under section 386-21(c), Hawaii Revised Statutes, as consistent with chapter 386, Hawaii Revised Statutes.

III. Unemployment

Employment Security Law; Acquisition or Restructuring of Businesses; Unemployment Taxes. (SB817, SD2, HD1, CD1) Requires an employing unit that transfers its organization, trade, or business to another employing unit, where at the time there is substantial common ownership between the two employing units, to file a notification of the transfer with the Department of Labor and Industrial Relations (DLIR), which shall recalculate the unemployment insurance contribution rates for both employing units for the next calendar quarter. Requires a person, who is not an employing unit but acquires the organization, trade, or business or another employing unit, and the employing unit to file a notification of the acquisition with DLIR. Establishes violations subject to penalties against an employing unit or person who knowingly violates or attempts to violate the law relating to determining the assignment of a contribution rate; makes a false statement or representation or fails to disclose a material fact to DLIR in connection with the transfer or acquisition of an organization, trade, or business; or knowingly advises another employing unit or person in a way that results in a violation or attempted violation of the section. Establishes the requirements for when a person is deemed to be an "employing unit," and provides that a person who is not an employing unit is only subject to a fine of not more than \$5,000. Establishes definitions for the terms "knowingly", "violates or attempts to violate", "person"; and "organization." Provides that any employing unit or person who violates the chapter shall be charged with a misdemeanor and subject to a fine of not more than \$10,000.

Unemployment Benefits; Pension or Retirement Pay. (HB1758, HD1, SD1, CD1) Prohibits the reduction of weekly unemployment benefit payments for individuals who receive pension, retirement or retired pay, annuity, or similar payments under the Social Security Act or the Railroad Retirement Act of 1974 for new claims filed prior to 7/1/05. Requires, for new claims filed on or after 7/1/05, the reduction of a weekly benefit amount payable to an individual by an amount equal to the amount of the pension that is reasonably attributable to that week if the services performed affect eligibility for or increase the amount of the pension; provided that the aforementioned reduction shall not apply to any pension if the individual has made any contribution to the plan maintained by the base period or chargeable employer.

Unemployment Trust Fund; Reed Act Funds; Distribution. (SB813, SD2, HD2, CD1) Authorizes the use of unemployment insurance trust fund moneys to conform to the Temporary Extended Unemployment Compensation Act of 2002 to allow for the distribution of federal Reed Act funds. Appropriates the sum of \$10,000,000 for each year of the fiscal biennium 2005-2007 from the unemployment insurance trust fund for the improvement of the services provided by the unemployment insurance and workforce development divisions of the Department of Labor and Industrial Relations (DLIR); provided that of the \$10,000,000: (1) \$4,795,000 shall be allocated to the Honolulu workforce investment board; provided that it will partner with Leeward Community College to provide federal Wagner-Peyser services to immigrants from the Freely Associated States; (2) \$1,252,775 shall be allocated to the Maui workforce investment board; (3) \$1,000,000 shall be allocated to the Kauai workforce investment board; (4) \$1,650,000 shall be allocated to the Hawaii workforce investment board; provided that it shall partner with DLIR to provide Wagner-Peyser services for the eradication of coqui frogs and other invasive species and to serve the residents of Hamakua, Waimea, Kohala, and Waikoloa; and (5) \$1,302,225 shall be allocated to DLIR to be used in consultation with the local workforce investment boards to plan, develop, and implement a computer system to benefit workforce development activities and programs operated by the counties.

Clarifies that the funds appropriated to the county workforce investment boards are to be used to improve employer outreach and services, labor force pool expansion, capacity building, and to fund some shared costs for the operations of the one-stop career centers within each county. Excludes funds appropriated under the Act from being released by the Governor to DLIR until all funds appropriated for the counties have been so released. Requires DLIR to report to the Legislature on the status of the timely release of funds appropriated under the Act to the counties.

Resolution(s) Adopted

Civil Service Exempt Employees; Report. (HCR270, HD1) Requests the Department of Human Resources Development, the Judiciary, the Department of Education, the University of Hawaii, and the Hawaii Health Systems Corporation to report on all civil service exempt positions under their respective jurisdictions. Requests that the reports include information regarding the date when the position was established, the purpose of the position, the reason the position is exempt from civil service, findings and recommendations on whether the position should remain an exempt position, and the timetable for the conversion of any exempt position to a civil service position. Each jurisdiction is also requested to indicate whether an exempt position should remain exempt permanently and, if so, from civil service recruitment procedures, the classification systems, or both. Requests submission of proposed legislation prior to the Regular Session of 2006.

DHRD; Reinstatement of the Social Worker Series. (HCR265, HD1) Requests the Department of Human Resources Development to develop a plan for the implementation of a separate series for social workers to include persons who possess a degree in social work from an accredited social work program. Requests the development of a plan for a separate human services professionals series for persons who do not possess a degree in social work. Request the plans to be developed in consultation and coordination with the Hawaii Chapter of the National Association of Social Work, the Hawaii Pacific University School of Social Work, the Brigham Young University School of Social Work, the Hawaii Government Employees Association, the Department of Education, the Department of Health, the Department of Human Services, and any other affected department or agency. Requests the transition of persons currently in social worker/human services professional positions without degrees in social work time to obtain social work degrees by 7/1/10. Indicates that the plan should not include the reclassification of social worker positions previously reclassified as part of the parole officer series and the child and adult protective services specialist series. Excludes the Judiciary, the Hawaii Health Systems Corporation, and the counties from the plan.

Social Security System; Privatization. (SCR76, SD1) Expresses the Legislature's opposition to the proposed privatization of the Social Security system. Requests Hawaii's congressional delegation to reject the proposed changes to the Social Security system on behalf of the people of Hawaii.

MEDIA, ARTS, SCIENCE, AND TECHNOLOGY

Highlights of Accomplishments of the Senate Committee on Media, Arts, Science, and Technology

SB1702, SD1, HD2, CD1, grants the High Technology Development Corporation (HTDC) increased self-sufficiency and greater flexibility in its ability to respond to growth and development potential in Hawaii's rapidly expanding technology sector. Specifically, this measure establishes the High Technology Innovation Corporation (HTIC), a nonprofit subsidiary of the HTDC. The HTIC will provide additional revenue sources and an improved ability to respond quickly and efficiently to opportunities and changes in Hawaii's technology sector.

HB164, HD1, SD1, CD1, establishes the misdemeanor offense of "unauthorized operation of a recording device in a motion picture theater". The purpose of this measure is to prohibit movie piracy by banning any person from knowingly operating any device with audiovisual recording technology in a movie theater while a motion picture is being exhibited. It also extends theater operators and their agents the same protection from civil liability that retail merchants are afforded for detaining suspected shoplifters while awaiting the arrival of law enforcement officers.

HB712, HD2, SD2, CD1, creates criminal sanctions for knowingly taking, appropriating, excavating, injuring, destroying, or altering historic property, aviation artifacts, or burial sites without permission or obtaining the required approval, and for knowingly failing to stop work in the immediate area of, or to report the discovery of, a burial site. This measure also authorizes a court or administrative adjudicative authority to impose civil and administrative fines for knowingly failing to re-inter human remains or for gluing together, labeling with a marking pen, or conducting any tests that destroy human skeletal remains. The purpose of this measure is to protect and preserve important historic and cultural burial sites and the artifacts located within those sites.

Bills Passed

I. Culture and Arts

State Foundation on Culture and the Arts; Appropriation. (SB1699, SD1, HD1, CD1) Appropriates \$175,000 for fiscal year 2005-2006 to the Department of Accounting and General Services in support of the Hawaii State Foundation on Culture and the Arts biennium grants program to sustain and develop vital community programming in culture, the arts, history, and the humanities for the people of Hawaii.

II. Technology and Development

High Technology Development Corporation; Nonprofit Corporation Established. (SB1702, SD1, HD2, CD1) Establishes the high technology innovation corporation. Provides that the corporation shall be a public, not-for-profit organization attached to the Department of Business, Economic Development, and Tourism for administrative purposes, and designed to facilitate the growth and development of the commercial high technology industry in

Hawaii. Provides that the corporation shall be under the general management and control of a 9-member board of directors. Requires the president of the corporation to be the executive director and CEO of the high technology development corporation. Establishes provisions for patents, copyrights and other rights, contracts with other state agencies, and dissolution of the corporation. Requires an annual report to be submitted to the Governor, President of the Senate, and Speaker of the House of Representatives.

Hoku Scientific; SPRBs. (HB1657, HD1, SD1, CD1) Authorizes the issuance of up to \$10,000,000 in special purpose revenue bonds to assist Hoku Scientific, a Hawaii company, with planning, designing, constructing, and equipping facilities for the production of the company's core products. Authorizes the issuance of refunding special purpose revenue bonds to refund the special purpose revenue bonds.

Movie Theaters; Unauthorized Audiovisual Recording Prohibited. (HB164, HD1, SD1, CD1; Act 59) Establishes the offense of unauthorized operation of a recording device in a motion picture theater for a person who knowingly operates the audiovisual recording function of any device in a motion picture theater while a motion picture is being exhibited, without the consent of the motion picture theater owner. Makes the offense a misdemeanor.

III. Historic Property

Historic Property, Aviation Artifacts, and Burial Sites; Criminal Penalties Established; Civil and Administrative Violations Established. (HB712, HD2, SD2, CD1) Establishes the offense of appropriation, excavation, injury, destruction, or alteration of historic property or aviation artifact; the offense of appropriation, excavation, injury, destruction, or alteration of a burial site; and the offense of failure to stop work upon discovery of a burial site. Establishes criminal penalties. Provides that it shall be a civil and administrative violation for any person to glue together, or label with any type of marking pen, any human skeletal remains, or to conduct any tests that destroy skeletal remains, except as permitted by the Department of Land and Natural Resources.

North Kohala Historic Sites; Adequacy of Buffer and Public Access; Land Acquisition. (HB1476, HD1, SD1, CD1) Requires the Department of Land and Natural Resources to determine whether the 162 acres that may be acquired by Kamehameha Schools in North Kohala are adequate to provide a protective buffer for, and public access to, the Mo'okini Heiau and Kamehameha birthsite. Requires the Department, if this acreage is deemed insufficient, to renew its efforts to acquire the remaining 88 acres through land exchange, and to consult with Mo'okini Luakini, Inc. and Kamehameha Schools before making its determination.

IV. Other Issues

Commission to Honor Senator Hiram L. Fong; Established; Appropriation. (HB283, HD1, SD1, CD1) Establishes a temporary commission to recognize and honor Senator Hiram L. Fong, that shall have charge of all arrangements for recognizing and honoring Senator Fong. Requires the commission to be placed in the office of the Governor for administrative purposes. Requires a report of its recommendations to the 2006 Legislature. Allows the commission to seek grants and donations; identify a nonprofit organization to be responsible

for these moneys and disburse them; and develop, plan, and coordinate the activities to honor Senator Fong. Requires a final report and accounting. Sunsets the Commission after December 31, 2009. Makes a \$2,000 appropriation for fiscal year 2005-2006.

Resolution(s) Adopted

Maui County; Commemorating Centennial. (SR25) Congratulates Maui County on the centennial year of its birth as a county. Recognizes Maui County as a unique, multi-island county and commends its citizens for making Maui County a special place to live, and for participating in activities commemorating the centennial.

TOURISM

Highlights of Accomplishments of the Senate Committee on Tourism

SB1729, CD1, provides a dedicated source of funding from the transient accommodations tax (TAT) for various visitor assistance programs and increases the funding for the Hawaii Tourism Authority (HTA). Effective July 1, 2007, the allocations of TAT revenues will be modified so that 34.2 percent (increased from 32.6 per cent) of the TAT revenues will be deposited into the tourism special fund which is used for the purposes of the HTA, and the 5.3 percent of the TAT deposit into the TAT trust fund will be repealed along with the fund itself. All excess revenues will be deposited into the general fund. Currently, 90 percent of TAT revenues deposited into the tourism special fund in excess of \$62,292,000 is deposited into the state parks special fund, and 10 percent in excess is deposited into the special land and development fund. The combined deposits into those funds are limited to \$1,000,000 in any fiscal year. Beginning July 1, 2007, this formula is changed so that the first \$1,000,000 of TAT revenue deposited into the tourism special fund will be deposited into the state parks special fund (90 percent) and into the statewide trail and access program (10 percent). This ensures money for state parks and the statewide trail and access program. For the first time, beginning July 1, 2007, there will be dedicated funding for safety and security programs. Of the 34.2 per cent of TAT revenues deposited into the tourism special fund, 0.5 percent will be transferred to a sub-account in the tourism special fund to provide funding for a safety and security budget, in accordance with the Hawaii Tourism Strategic Plan 2005-2015. The State's investment in tourism is critical to ensure that Hawaii maintains a successful and sustainable tourism industry. It is imperative that the HTA be given additional resources to effectively and efficiently implement its programs, which will contribute to an increased focus on areas such as safety, security, and state parks and trails.

Bills Passed

TRANSIENT ACCOMMODATIONS TAX

Transient Accommodations Tax; Allocations; Hawaii Tourism Authority. (SB1729, SD2, HD2, CD1) Provides that the Hawaii Tourism Authority (HTA) shall be headed by a policy making board of directors which consists of 12 public, voting members, and 4 ex officio nonvoting members, and that the executive director of the State Foundation on Culture and the Arts or a designated representative shall be an ex officio nonvoting member. Allows the HTA to appoint officers, agents, and employees subject to the approval of the board of directors if there is no anticipated shortfall in the tourism special fund and funds have been appropriated by the Legislature and allotted as provided by law. Allows moneys in the convention center enterprise special fund to be placed in interest-bearing accounts or otherwise invested by the authority until such time as the moneys may be needed. Changes allocation of transient accommodations tax (TAT) revenues to the tourism special fund from 32.6% to 34.2%, with the first \$1,000,000 going into the state parks fund (90%) and the special land and development fund (10%). Effective July 1, 2007 removes cap of \$62,292,000 to be deposited into the tourism special fund. Provides that 0.5% shall be transferred to a subaccount in the tourism special fund to provide funding for safety and security budget, in accordance with the tourism strategic plan 2005 - 2015. Repeals the TAT trust fund and the

5.3% TAT deposit into that fund. Requires excess TAT revenues after allocation be deposited into the general fund.

OTHER ISSUES

Time Sharing. (HB155, HD1, SD1) Exempts a person licensed as a real estate broker or salesperson in the State selling time share interests on behalf of a time share plan developer that is licensed as a mortgage broker from the mortgage brokers and solicitors licensing provisions. Defines "master development" as a real estate development that consists of more than one project, including but not limited to a planned community association with one or more sub-associations. Defines "person" as an individual, partnership, joint venture, corporation, association, business, trust, or any organized group of persons or legal entity, or any combination thereof. Defines "blanket lien" to include master lease. Redefines "developer" to not include a person who has acquired one or more time share interests for the person's own use and occupancy and later offers the time share interest for resale; an association not otherwise a developer, that offers for sale, through its plan manager or a third party, time share interests transferred to the association through foreclosure, conveyance in lieu of foreclosure, cancellation for nonpayment of assessments, or gratuitous transfer; and a licensed real estate broker who owns at any one time not more than 12 time share interests in a particular time share plan and later offers the time share interest for resale. Redefines "project" to include as an individual condominium project two or more contiguous condominium projects that have been merged for administrative purposes and that operate as a single condominium project; an individual cooperative housing project; an individual subdivision of single family homes subject to one or more project instruments; or an individual subdivision of townhomes subject to one or more project instruments. Excludes "master development" from a "project."

Time Sharing Plans. (HB835, HD2, SD1) Narrows gift disclosure requirements to require disclosure only if material terms and conditions attached to the gift or prize. Excludes from prohibited acts of a sales or acquisition agent of a time sharing plan the receipt of sums paid for a tourist activity or other product or service offered to a purchaser or prospective purchaser to induce attendance at a time share sales presentation. Prohibits a developer, sales agent, or acquisition agent from posting anything on or adjacent to the sign that indicates that the booth is not being used for time share solicitation purposes. Modifies provisions relating to signs for time share booths by increasing the text size and providing for use of contrasting colors. Exempts time share booths located inside the time share project from the signage requirements.

Resolution(s) Adopted

Tourism Carrying Capacity Study. (SR15, SD1) Requests the Department of Business, Economic Development, and Tourism, with the support of the Hawaii Tourism Authority, to conduct a carrying capacity study to determine the maximum capacity for tourists in the State, or the maximum number of visitors that each of the areas is able to sustain with regard to visitor lodging and accommodations, and infrastructure such as water, roads, and sanitation capacity. Requests the study to be divided into separate studies among East Oahu (including Waikiki), West Oahu, North Shore, Windward Oahu (including Kaneohe and Kailua), and each of the neighbor islands. Requests the Department of Business, Economic Development, and Tourism to report findings and recommendations to the 2006 Legislature.

TRANSPORTATION AND GOVERNMENT OPERATIONS

Highlights of Accomplishments of the Senate Committee on Transportation and Government Operations

HB1309, HD2, SD2, CD1, allows each county to establish by ordinance a county surcharge of up to one-half percent on the general excise tax and use tax. The county tax will be collected by the Department of Taxation, minus ten percent for administrative expenses of collection, to be disbursed quarterly to the county adopting the surcharge. Each county has until December 31, 2005 to enact an ordinance, but the surcharge does not go into effect until January 1, 2007. If none of the counties timely enact an ordinance, the measure will be repealed. The surcharge funding is dedicated to transportation funding in the county enacting the surcharge. For counties with a population greater than 500,000, the funding is for operating or capital costs of a locally preferred alternative for a mass transit project and expenses thereto of complying with the Americans with Disabilities Act. For counties with a population of 500,000 or less, the funding is for operating or capital costs of public transportation systems, including public roadways or highways, public buses, trains, ferries, pedestrian paths or sidewalks, or bicycle paths, and expenses thereto of complying with the Americans with Disabilities Act. The county surcharge, as well as the entire measure, is repealed on December 31, 2022. The intent of the measure is to improve public transportation, particularly on Oahu. The costs of mass transit is prohibitively expensive. An impending federal funding deadline requires Hawaii to show a dedicated source of funding in order to receive federal funding.

HB150, HD2, SD2, CD1, establishes a three-stage graduated provisional driver licensing program for persons under the age of eighteen. The measure takes effect on January 9, 2006, and sunsets on January 9, 2011. The first stage is an instruction permit for persons age fifteen years and six months, which is the current law. The instruction permit must be held at least one hundred eighty days. The second stage is a provisional license for persons at least sixteen and less than eighteen years of age. The third stage is a driver's license for persons at least seventeen but less than eighteen years of age. New driving restrictions are placed upon the instruction permit holder and the provisional licensee. This measure is intended to improve traffic safety. The Committee on Transportation and Government Operations found that teenage drivers are disproportionately involved in crashes, including fatal crashes, and that this graduated system will save lives.

HB919, HD1, SD2, permits the forfeiture of a vehicle for a conviction of operating a vehicle under the influence of an intoxicant within five years of two prior convictions or a conviction for habitually operating a vehicle under the influence of an intoxicant, if the vehicle is owned and operated by the driver. The Department of Transportation is responsible for providing storage of the forfeited vehicle. Alcohol and drug impaired driving remains one of the most frequently committed violent crimes. Vehicle forfeiture is a means of reducing the incidence of crashes and fatalities, particularly for those impaired drivers who have been convicted twice previously of operating under the influence of an intoxicant. One of the best means to ensure they do not get on the road again is to confiscate their vehicles.

SB960, HD1, CD1, appropriates \$4,000,000 (\$2,000,000 in each fiscal year) for natural disaster preparedness efforts, including installing and maintaining new siren systems; updating evacuation maps in phone books; constructing additional shelter space and retrofitting existing public buildings that could serve as emergency shelters; developing statewide

residential safe room design standards by January 1, 2006; providing around-the-clock alert staff for the Civil Defense Division; and expanding public education campaigns that emphasize the need for natural disaster, including tsunami and hurricane preparedness. The measure also appropriates \$4,000,000 (\$2,000,000 in each fiscal year) to be expended on the loss mitigation grant program. This measure addresses the need for natural disaster preparedness by appropriating funds for that purpose. Due to Hawaii's experience with tsunamis and hurricanes, a disaster alert system is in place providing early warning to residents. Even with this comprehensive, state-of-the-art-monitoring system, Hawaii's disaster warning efforts have not kept pace. Antiquated siren systems, outdated evacuation maps in telephone books, insufficient shelter space, limited public education projects, and a lack of around-the-clock alert staff mean Hawaii residents may lose critical seconds in evacuation time or, worse, be unable to access emergency care and shelter in the event a disaster strikes. This measure addresses these problems.

HB85, HD2, SD2, transfers the jurisdiction and administrative authority over piers 1 and 2 of Honolulu Harbor, which is part of the Kakaako Community Development District, from the Hawaii Community Development Authority to the Department of Transportation. The transfer includes the contiguous backup fast lands that are used for manifested cargo and passenger operations. Piers 1 and 2 contain vital and unique maritime cargo facilities that must be maintained at Honolulu Harbor, and should be preserved to provide for an expansion area consistent with the predicted growth of future cargo requirements and to permit for the safe and efficient berthing of major cargo vessels. Projections made by the Department of Transportation, Harbors Division, indicate that foreign cargo capacity will be exhausted within five years at the present rate of growth.

Bills Passed

I. Transportation

DRIVER LICENSING

Commercial Driver's Licenses at Age 18. (SB74, SD1, HD1; Vetoed 5/3/05) Would have defined "intrastate driver" to mean a driver, not less than 18 years of age, engaged in intrastate commerce except in the transportation of passengers in a school vehicle, in the operation of a commercial motor vehicle requiring the possession of a category A commercial driver's license, or in the transportation of hazardous materials. Would have defined "intrastate commerce" as trade, traffic, or transportation between two places in the State that originates and terminates within the State.

Driver Licensing; Provisional Licenses. (HB150, HD2, SD2, CD1) Establishes provisions relating to provisional license for persons under the age of 18, except for emancipated minors. Allows a person at least 16 years of age but under 18 to be granted a provisional license. Places restrictions on driving of provisional licensee, including not transporting more than one person under the age of 18, unless that person is a household member or a household member's foster or hanai child. Provides that the provisional licensee shall not transport more than one person under the age of 18 between the hours of 11:00 p.m. and 5:00 a.m. without being accompanied and supervised by a licensed driver who is the provisional licensee's parent or guardian. Authorizes a provisional licensee to drive between the hours of 11:00 p.m. and 5:00 a.m. without being accompanied by a parent or guardian only for employment purposes or for school activities. Establishes penalties. Requires a holder of an instruction permit to be accompanied by a person who is 21 years of age or older, licensed

to operate the same category of motor vehicle as the motor vehicle being operated, and to occupy a passenger seat beside the permit holder. Provides that if the instruction permit holder is under 18 years of age and is driving between the hours of 11:00 p.m. and 5:00 a.m., a licensed driver who is the permit holder's parent or guardian and licensed to operate the same category of motor vehicle as the motor vehicle being operated shall occupy a passenger seat beside the driver. Requires all occupants of the motor vehicle to wear seat belts or be restrained by a child passenger restraint (car seat). Requires the department of transportation and the department of health to compile and analyze all relevant traffic and accident data to determine the effectiveness of the graduated provisional licensing program. Report to the legislature. Act to take effect on 1/9/06 and be repealed on 1/9/11 (sunset).

HARBORS

Honolulu Harbor; Piers 1 and 2; Jurisdiction. (HB85, HD2, SD2) Places jurisdiction and administrative authority over Honolulu Harbor piers 1 and 2 with the Department of Transportation and retains jurisdiction over lots 1 and 5 by the Kakaako Community Development District. Excludes Honolulu harbors piers 1 and 2 and the areas used for manifested cargo and passenger operations from the Kakaako Community Development District.

HIGHWAY SAFETY

Flexible Highway Design; Liability; Establishment of Design Guidelines. (SB1876, SD2, HD2, CD1) Authorizes the Department of Transportation with regard to a state highway, or county with regard to a county highway, to select or apply flexible highway design guidelines consistent with practices used by the Federal Highway Administration and the American Association of State Highway and Transportation Officials if a highway requires new construction, reconstruction, preservation, resurfacing, restoration, or rehabilitation. Provides immunity from liability for State, Department of Transportation, counties, or any public utility with facilities within the highway right of way that selects flexibility in highway design. Requires the director of transportation to establish new flexible highway design guidelines by 6/30/06, and to establish a process to address flexible highway design when considering improvements on Hana highway, east Maui; Hanalei road, north Kauai; Hamakua-Honokaa heritage corridor, island of Hawaii; Upper Kona road, island of Hawaii; and Ka Iwi coastal highway, eastern Oahu.

Physicians; Duty to Report Motor Vehicle Injuries to Police. (SB608, HD1; Act 39) Provides that when a physician or surgeon attends or treats a case in a motor vehicle collision resulting in serious injury or death, the manager, superintendent, or person in charge thereof shall report the case or provide requested information to the chief of police of the county within which the person was attended or treated.

MASS TRANSIT

County Surcharge on Excise Tax; Transit. (HB1309, HD2, SD2, CD1) Allows the counties to establish by ordinance a county surcharge of up to 1/2 percent on general excise tax and use tax. Provides that the funds from the surcharges shall be used: (1) by any county with a population greater than 500,000 for operating or capital costs of a locally preferred

alternative for mass transit project and for expenses in complying with the Americans with Disabilities Act in relation to that project; and (2) by any county with a population less than 500,000 for operating or capital costs of public transportation systems within the county, including public roadways or highways, public buses, trains, ferries, pedestrian paths or sidewalks, or bicycle paths, and for complying with the Americans with Disabilities Act in relation to those public transportation systems. Requires a county electing to establish a surcharge to adopt an ordinance prior to 12/31/05. Requires Director of Taxation to collect the county surcharge tax and pay it into the state treasury into a special account, with deduction of 10 percent for administrative costs, after which the remaining balance is paid quarterly to the county adopting the ordinance. Makes the surcharge effective as of 1/1/07. Provides that if none of the counties adopted a county surcharge by 12/31/05, this Act is repealed. Further provides that if an ordinance is adopted it shall be repealed on 12/31/22, and the entire Act shall be repealed on 12/31/22.

MOTOR CARRIERS

Motor Carrier Identification Card. (SB77, SD1, HD1, CD1) Requires a motor carrier to file a description of the commercial motor vehicle registered to the motor carrier with the Director of Transportation, who shall issue a motor vehicle identification card for that commercial motor vehicle. Prohibits a commercial motor vehicle to be operated on public highways unless the vehicle is equipped with fenders, covers, or other devices, including flaps or splash aprons, to minimize the spray or splash of water or mud to the rear of the vehicle. Establishes penalty.

Motor Carrier Markings; Federal Standards. (HB81; Act 28) Amends provisions relating to marking of motor carrier vehicles to conform with federal regulations. Requires markings to be readily visible during daylight hours, from a distance of 50 feet (15.24 meters) while the motor carrier vehicle is stationary.

Motor Carrier Safety Inspection. (SB73; Act 3) Clarifies that the twelve month inspection of motor carriers occurs in the month in which the vehicle's certificate of motor vehicle registration is issued.

MOTOR VEHICLES

Abandoned Vehicles; Authorized Disposition by Counties and HCDCH. (SB1362, SD1, HD1, CD1) Clarifies definition of "abandoned" vehicle to mean a vehicle on private lands, defined as a setback, shoulder, easement, or right of way adjacent to or part of a public highway. Specifies that the Housing and Community Development Corporation of Hawaii may cause vehicles that have been abandoned on any public housing property to be taken into custody and disposed of. Provides that the counties may cause vehicles to be taken into custody and disposed of by the county that have been abandoned on roads for which dedication to the State or county is pending.

Motor Vehicle Weight Violations; Penalties. (SB76, SD1, HD1, CD1) Repeals minimum fine of \$600 for motor vehicle size and weight violations. Clarifies weight and dimension penalties.

Special Number Plates; Transfer. (HB79; Act 8) Repeals prohibition against the transfer of registration certificates and special number plates. Allows the director of finance to revoke an organization's approval, if within three years of approval, the organization fails to register a minimum of 150 participants.

SPRBs

PLK Air Services Group, LLC; SPRBs. (HB1556, HD1, SD1, CD1) Authorizes the issuance of special purpose revenue bonds in the amount of \$25,000,000 to assist PLK Air Services Group LLC, with the planning, design, and construction of, and obtaining equipment, furnishings, and apparatus for, a Kona coffee and macadamia manufacturing facility and air cargo logistics and fulfillment center at Kona international airport. Authorizes the issuance of refunding special purpose revenue bonds to refund the special purpose revenue bonds.

TRAFFIC OFFENSES

Driving Under the Influence of an Intoxicant; Term of Imprisonment. (HB437; Act 33) Clarifies that a person 18 years of age or older who operated a vehicle with a passenger younger than 15 years of age is subject to a total term of imprisonment that does not exceed the maximum term of imprisonment for first, second and third offenses.

Intoxicants; Repeat Offenders; Vehicle Forfeiture. (HB919, HD1, SD2) Provides that, for a conviction of operating a vehicle under the influence of an intoxicant within five years of two prior convictions, or a conviction for habitually operating a vehicle under the influence of an intoxicant, the vehicle owned and operated by the person committing the offense shall be subject to forfeiture under the criminal forfeiture law. Requires the Department of Transportation to provide storage for the forfeited vehicle.

Penalties for Subsequent Offenses. (HB502, HD1, SD2, CD1) Establishes a minimum fine for violation of law on child passenger restraints of \$200 for the second and third offenses committed within three years of a conviction for violating the child passenger restraints law. Clarifies existing fines for violation of law on motor vehicle alarm systems for third violation within a five-year period. Clarifies existing fines for violation of vehicle lights equipment for each subsequent violation within a one-year period.

Property Damage; Pedestrians in Crosswalks. (HB438, HD1, SD2, CD1) Makes housekeeping amendments to law on accidents involving damage to vehicle or property and to law on false reports. Requires the driver of a vehicle to stop and yield the right of way to a pedestrian crossing the roadway within a crosswalk when the pedestrian is upon the half of the roadway upon which the vehicle is traveling or when the pedestrian is approaching so closely from the opposite half of the roadway as to be in danger, regardless of whether traffic-control signals are in place or in operation.

II. Government Operations

PROCUREMENT

Hawaii Procurement Institute; UH. (SB1038, SD2, HD1, CD1) Establishes the Procurement Institute at the William S. Richardson School of Law. Repeals the procurement institute from under the administrator of the procurement office. Transfers personnel.

Hawaii Public Procurement Code; Contracts for Construction Design Professional Services; Indemnification. (SB1843, SD1, HD2, CD1) Prohibits a contract for construction design professional services between a governmental body and a person or licensed entity from requiring the person or entity to defend, indemnify, or hold harmless the governmental body, or its employees, officers, or agents from any liability, damage, or loss caused by, or any

claim, action, or proceeding arising from, the negligence, errors, omissions, recklessness, or intentional misconduct of the governmental body, its employees, officers, or agents. Provides that the contract may require the person or entity to indemnify and hold harmless the governmental body, its employees, officers, and agents from any liability, damages, or losses, including, without limitation, reasonable attorneys' fees, or claims, actions, or proceedings arising from the negligence, errors, or omissions of the person or entity, or the person's or entity's employees, officers, or agents in the performance of their professional services.

Hawaii Public Procurement Code; Documentation. (SB1127, SD1) Deletes requirement for entities awarded a contract under the procurement code that they be incorporated, registered, or organized in Hawaii. Deletes requirement that the procuring officer verify compliance with specified laws for small purchases.

CIVIL DEFENSE

Civil Defense; Disaster Emergency Preparedness Act. (SB960, HD1, CD1) Appropriates \$2,000,000 for each year of the 2005-2007 fiscal biennium out of the hurricane reserve trust fund to the Department of Defense for tsunami and hurricane preparedness efforts, including installing and maintaining new siren systems, updating evacuation maps in telephone books, constructing additional shelter space and retrofitting existing public buildings that could serve as emergency shelters, developing statewide residential safe room design standards by 1/1/06, providing around-the-clock alert staff for the Civil Defense Division, and expanding public education campaigns emphasizing the need for tsunami and hurricane preparedness. Requires the Department of Defense to develop Hawaii public shelter and residential safe room design criteria by 1/1/06, and to facilitate impact resistance testing and certification of safe room design, provided that safe room prototype models are developed with public or private sector grants or investments. Requires the department to coordinate with state or county agencies having responsibility for the repair, maintenance, and upkeep of any public building to be retrofitted. Redefines wind resistive devices to include safe rooms that are defined and built pursuant to the rules of the Department of Defense's Civil Defense Division. Reduces the amount of the grant awarded for the installation of wind resistive devices from 50% to 35% of the cost, and repeals reimbursement for the inspection cost. Appropriates \$2,000,000 for each year of the 2005-2007 fiscal biennium out of the hurricane reserve trust fund for deposit into the loss mitigation grant fund, and appropriates \$2,000,000 for each year of the fiscal biennium out of the loss mitigation grant fund for the loss mitigation grant program.

Local Flood Warning System; Lake Wilson; Appropriation. (SB1732, SD1, HD1, CD1) Appropriates \$19,000 in FY 05-06, and \$20,000 in FY 06-07, to the Department of Defense for the purchase and installation of stream gauges and operation and maintenance of a flood warning system for Lake Wilson. Requires matching federal funds.

RECORDS

Government Records; Electronic Format. (HB515, SD1) Allows a county legislative body to determine whether, and the extent to which, the county may create, accept, retain, or store in electronic form any records and convert records to electronic form. Amends the public agency meetings and records law to: allow public officers having the care and custody of documents to have them copied to an electronic format; deem electronic copies of a

government record to be an original record; and require the electronic form of a government record to be placed in conveniently accessible files.

OTHER ISSUES

Boards of Registration; Transfer to DAGS. (HB465, HD1) Transfers the four boards of registration for elections from the Office of the Lieutenant Governor to the Department of Accounting and General Services for administrative purposes.

Electricity Payments; Emergency Appropriation. (HB555; Act 41) Makes an emergency appropriation of \$3,000,000 for fiscal year 2004-2005 to the Department of Accounting and General Services to pay electricity bills statewide.

Resolution(s) Adopted

I. Transportation

Commercial Harbors; Safe Use; Update of Administrative Rules. (SR83, SD1) Urges the Department of Transportation to review and update its administrative rules regarding the safe use of commercial harbors by large vessels, and to require, as appropriate to the individual harbor, the use of at least one assist tug for all ships 600 feet in length or more. Urges all harbor users to comply with the Hawaii Ocean Safety Team minimum tug recommendations. Urges local tug service providers to ensure that modern tugs with adequate power are stationed in the neighbor island ports.

Hawaii Commercial Harbors 2020 Master Plan; Update. (SCR221, SD1, HD1; SR127, SD1) Requests the Department of Transportation (DOT) is to establish a centralized statewide cargo and passenger ship arrival and departure scheduling system to coordinate and improve the efficiency of ship movements among the harbors of the State. Requests the DOT to update the Hawaii Commercial Harbors 2020 Master Plan and to include coverage of all relevant issues, including the proposed Superferry, Norwegian Cruise Lines, Pasha Hawaii Transport Lines, use of harbors by local canoe clubs, Maui Trailer Boat Club, various proposed commuter ferries, and other interested parties; and make recommendations for improving harbor efficiency and effectiveness, including new container shipping technologies that reduce land-based cargo space requirements, cargo fees, and tariff rates. Requests the DOT to submit a progress report to the 2006 Legislature. Requests the DOT to conduct a comprehensive study of current and anticipated harbor uses on Oahu by developing recommendations for improving harbor efficiency and effectiveness, including the optimum use of piers 1 and 2, while maintaining options for non-cargo uses in urban Oahu, including an evaluation of: (1) potential cargo space shortages at Honolulu Harbor; (2) increased demand for cargo space; (3) new container shipping technologies that reduce cargo space requirements; (4) cargo fees and tariffs rates as an incentive for efficient cargo handling; (5) possible relocation of appropriate harbor uses to other harbors, such as Barbers Point Deep Draft Harbor and Pearl Harbor; (6) possible ferry service implications; (7) cruise ship terminal and berthing requirements; and (8) existing and future neighbor island harbor needs. Requests the DOT to report to the 2006 Legislature. (Note: both this concurrent resolution and companion SR127, SD1; were adopted by the Legislature. SR127, SD1 however, requests that the study be conducted by the Office of Planning).

Hawaii County Traffic Plans. (SR58, SD1) Requests the Department of Transportation to: (1) study and evaluate existing traffic conditions in Hawaii County, in consultation with the

Hawaii County Department of Public Works, and prepare a traffic solution plan for Hawaii County to minimize existing and future traffic problems; and (2) review and make recommendations on the current County of Hawaii transportation plan to ensure its conformity to the state planning policies and objectives. Requests the Office of Planning and the County of Hawaii to assist the DOT in the study and evaluation. Requests a report on interim findings and recommendations, including an estimate of projected costs to complete the study for inclusion in an appropriations measure for the 2006 Legislature, and a final report to the 2007 Legislature.

Mililani Mauka; Alternate Route of Ingress and Egress; Study. (SCR48; SR23) Requests the Oahu Metropolitan Planning Organization (OMPO) to identify in their current comprehensive study possible solutions to the traffic problems in Mililani Mauka, taking into account the growth and other changes that have occurred since it opened, including a determination of the feasibility of each possible solution, and specifically address several issues, such as an alternate route of ingress to and egress from Mililani Mauka, especially for use in times of emergency; speeding and unsafe driving; pedestrian safety; and increasing traffic flow due to a growing population. Requests a report to the 2007 Legislature.

Senior Transportation Options; County Strategic Plan. (SCR96) Requests the City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii to develop a strategic plan in their respective county for senior transportation options. Requests progress report from each county to the 2006 Legislature.

Traffic Conditions in South Kona; DOT Study. (SCR27, SD2) Requests the Department of Transportation to study and evaluate existing traffic conditions in the South Kona area of Hawaii and prepare a traffic solution plan to minimize existing and future traffic problems, including issues of land or easement acquisition or condemnation, liability, plan implementation, signage, and the costs of necessary road improvements. Requests the department to report its findings and recommendations to the 2007 Legislature.

Walking and Bicycling; Recognition. (SR53) Encourages the State and counties to develop public transit and places to bicycle and walk to provide people with realistic, safe alternatives to traveling in private motor vehicles. Encourages the State and counties to plan, design, and construct all new streets and highways to serve bicyclist and pedestrians, in addition to motor vehicles.

II. Government Operations

Hawaii Public Procurement Code; Joint Legislative Task Force. (SCR106, SD2, HD1) Requests the Senate President and Speaker of the House of Representatives to convene a joint legislative task force, exempt from chapter 92, HRS, with no more than six members from each house, during the 2005-2006 interim, whose members are familiar with the state procurement code. Requests the task force to review the concerns raised by the University of Hawaii, Natural Energy Laboratory of Hawaii Authority, High Technology Development Corporation, Hawaii Strategic Development Corporation, Hawaii Health Systems Corporation, and the counties; review the statutory exemptions to chapter 103D, HRS, as well as administrative exemptions, for possible repeal; and recommend amendments to provisions of chapter 103D, HRS, as appropriate, to minimize the cumbersome and time-consuming procurement requirements and allow for more purchasing flexibility while maintaining the integrity and intent of the procurement code to protect the public's interest. Requests the task force to report on findings and recommendations, including proposed legislation, to the 2006 Legislature.

WATER, LAND, AND AGRICULTURE

Highlights of Accomplishments of the Senate Committee on Water, Land, and Agriculture

Hawaii's natural resources are essential to the success of our economy, culture, and quality of life, but an alarmingly small amount of money is invested each year to protect and conserve these vital resources. As a result, the Legislature passed **HB1308, HD1, SD2, CD1**, which establishes a permanent adequate funding source for land conservation by increasing the conveyance tax on a sliding scale for homes valued at \$600,000 and above, and dedicating ten percent of the annual proceeds from the conveyance tax to the existing land acquisition fund. This increase in the conveyance tax allows the development, sale, and improvement of real estate in Hawaii, which adds additional pressures on natural areas, coastal access, agricultural production, and water resources, to contribute to the protection and preservation of our watershed and other natural resource preservation programs.

For many years, the Legislature has been working on legislation to preserve Hawaii's precious agriculture lands. This year, the Legislature passed important legislation, **HB1640, HD3, SD2, CD1**, which establishes policies and procedures for identifying important agricultural lands (IALs) within the State and for creating incentives for farmers and landowners. Specifically, this measure creates:

- Policies to assure the conservation and availability of IALs for long-term agricultural use;
- Standards and criteria for the identification of IALs;
- A process for the identification of IALs;
- Standards and criteria for the reclassification and rezoning of lands identified as IALs; and
- Policies for incentives for the long-term retention of IALs for agricultural viability.

Land is the basic resource for agriculture and the supply of lands suitable for agriculture is an irreplaceable resource; however, the long-term viability of the agricultural industry also depends on other factors that affect its profitability. Thus, this measure balances the need for preserving agricultural land and providing incentives and programs to ensure the viability of agriculture in Hawaii.

Bills Passed

I. Agriculture

ANIMAL QUARANTINE

Agricultural Inspections; Invasive Species; Imported Commodities. (SB956, SD1, HD1, CD1; Act 64) Provides that the Department of Agriculture may require the identification of specific articles on negotiable and nonnegotiable warehouse receipts, bills of lading, or other documents of title for inspection of pests.

Animal Quarantine Facilities; Contract or Rent Unused Facilities. (SB669, SD2, HD1, CD1)

Provides that the Board of Agriculture is authorized to contract with third parties for the use or rental of animal quarantine property or facilities provided that the Board determines the property or facilities are not required for use by the animal quarantine program while they are used by the third party; the property or facilities shall be leased or rented at fair market value; and property or facilities shall be used only by the third party. Amends provisions relating to animal quarantine special fund. Adds that all moneys received by the Board of Agriculture from use of animal quarantine property or facilities shall be deposited into the Animal Quarantine Special Fund.

CRIMES

Agricultural Theft; Commodities and Livestock. (HB1201, HD2, SD2, CD1) Provides that a person commits the offense of theft in the second degree if the person commits theft of agricultural commodities or products that exceed 25 pounds. Provides that possession of agricultural products without ownership and movement certificates is prima facie evidence that the products are or have been stolen. Provides that possession of livestock without a livestock ownership and movement certificate is prima facie evidence that the livestock is or has been stolen. Provides that theft of livestock is a class C felony.

Trespassing on Agricultural Lands. (HB1202, HD2, SD2, CD1) Provides that a person commits criminal trespass in the second degree if the person enters or remains on agricultural lands without the permission of the owner of the land, the owner's agent, or the person in lawful possession of the land, and the agricultural lands are fenced, enclosed, or secured in a manner designed to exclude intruders; have a sign or signs prominently displayed on the unenclosed cultivated or uncultivated agricultural land providing sufficient notice and that read "private property." Provides that these signs, containing letters not less than two inches in height shall be placed along the boundary line of the land and at roads and trails entering the land in a manner and position as to be clearly noticeable from outside the boundary line; or have a visible presence of a crop.

LANDS AND INFRASTRUCTURE

Important Agricultural Lands. (HB1640, HD3, SD2, CD1) Defines important agricultural lands (IALs) as lands that are capable of producing sustained high agricultural yields when treated and managed according to accepted farming methods and technology, contribute to the State's economic base and produce agricultural commodities for export or local consumption, or are needed to promote the expansion of agricultural activities and income for the future, even if currently not in production. Requires that such lands be identified and that plans are made for maintenance of a strategic agricultural land resource base that can support a diversity of agricultural activities and opportunities.

Establishes standards and criteria for the identification of IALs. Allows a farmer or landowner to petition the Land Use Commission (Commission) to designate and map the lands as IALs. Requires state and county agencies to establish incentives for IALs. Requires each county to identify and map IALs and transmit the adopted maps to the Commission. Requires the Department of Agriculture and Office of Planning to review the county report and recommendations and provide comments to Commission. Authorizes the Commission to

designate IALs. Establishes standards and criteria for the reclassification or rezoning of IALs. Requires each county to adopt ordinances that reduce infrastructure standards for IALs. Requires that the maps be reviewed at least once every ten years and no more than once every five years.

Requires that copies of the special permit petition be forwarded to the Commission, the Office of Planning, and the Department of Agriculture for their review and comment. Appropriates \$75,000 for fiscal year 2005-2006 for a grant-in-aid to the counties for the identification and mapping of IALs.

Amends provisions relating to Commission decision making criteria. Requires that the Commission specifically consider the standards and criteria for the reclassification or rezoning of IALs.

Requires the Department of Agriculture, with the assistance of the Department of Taxation, to contract appropriate meeting facilitation and cost-benefit analysis services to develop and recommend a package of proposals for agricultural incentives and other measures that promote agricultural viability, sustained growth of the agriculture industry, and the long-term use and protection of IALs. Appropriates \$75,000 for fiscal year 2005-2006 for the development of proposals for incentives and other programs that promote agricultural viability.

Non-Agricultural Park Lands Special Fund; Established. (HB1641, HD1, SD2, CD1) Establishes the Non-Agricultural Park Lands Special Fund to be administered by the Department of Agriculture. Provides that legislative appropriations and all lease, rent, fees, penalties, and any other revenues or funds collected from non-agricultural park lands that are transferred, or in the process of being transferred, shall be deposited into the fund. Provides that moneys in the special fund shall be used to pay for costs incurred in managing, administering, and overseeing non-agricultural park lands.

OTHER ISSUES

Agricultural Research and Development; Hawaii Farm Bureau Federation; Appropriation. (HB168, HD2, SD1, CD1) Appropriates \$500,000 for fiscal year 2005-2006 to the Department of Agriculture for the Hawaii Farm Bureau Federation to conduct agricultural research and market development.

Home-Based Agricultural Honey; Exemption. (HB1154, HD1, SD2; Act 63) Establishes that home-based agricultural producers of honey are not required to process honey in certified honey houses or food processing establishments or to obtain a permit from the Department of Health if the producer meets specific requirements. Provides that if the department receives a consumer complaint about a home-based agricultural producer of honey, the producer shall be subject to food sampling and subsequent inspection of its premises.

II. Water and Land

CONSERVATION AND RESEARCH

Comprehensive Watershed Management Plan; Lake Wilson; Appropriation. (SB1451, SD2, HD1, CD1) Appropriates \$250,000 for fiscal year 2005-2006 for watershed scientists with the University of Hawaii's Center for Conservation and Research Training (CCRT) to prepare phase 1 of a comprehensive watershed management plan that includes the best strategies to manage water quality problems in Lake Wilson, to identify and solicit federal and other funding, and to coordinate a pilot-scale demonstration of the constructed wetland designs developed under the plan.

Land Conservation Fund; Conveyance Tax. (HB1308, HD1, SD2, CD1) Provides that the land conservation fund is exempt from the five percent deduction for central services. Requires that ten percent of all revenues from the conveyance tax be credited to the fund. Requires the Department of Land and Natural Resources to administer and manage the fund. Requires the fund to be used for the preservation of watershed protection, coastal areas and access, habitat protection, cultural and historical sites, recreational and public hunting areas, parks, natural areas, agricultural protection, and open spaces and scenic resources. Requires the Department to recommend to the Board of Land and Natural Resources specific parcels of land to be acquired, restricted with conservation easements, or preserved. Requires the Board to review and select the lands to be acquired and to publish an annual report, including a financial report, to the Legislature, Governor, and public. Allows the Board to make grants to state agencies and nonprofit land conservation organizations, and for nonprofit organizations to sell, lease, or otherwise dispose of acquired land with the prior written approval of the Board. Provides that any land acquired by any nonprofit land conservation organization may be sold, leased, or otherwise disposed of with the prior written approval of the Board and any permanent easement established that includes partnership with a federal land conservation program may be transferred only as provided by rules of the federal program.

Retains the conveyance tax rate of ten cents per \$100 for properties with a value of less than \$600,000, and increases the rate to twenty cents per \$100 for properties with value greater than \$600,000 and less than \$1,000,000, and thirty cents per \$100 for properties with a value of \$1,000,000 and over. Provides that for the sale of condominiums or a single family residence for which the purchaser is ineligible for a county homeowner's exemption on property the tax shall be fifteen cents per \$100 for properties with a value of less than \$600,000, twenty-five cents per \$100 for properties with value greater than \$600,000 and less than \$1,000,000, and thirty-five cents per \$100 for properties with a value of \$1,000,000 and over. Provides that ten percent shall be paid into the Land Conservation Fund, thirty percent shall be paid into the rental housing trust fund, twenty-five percent shall be paid into the natural area reserve fund, and that disbursement of funds in the Natural Area Reserve Fund shall include management of the Natural Area Reserves System.

LAND AND PLANNING

Golf Courses and Golf Driving Ranges; Agricultural and Rural Land Districts; Boundary Review Studies. (HB109, HD1, SD2, CD1) Allows rural districts to include golf courses, golf driving ranges, and golf-related facilities. Prohibits golf courses and golf driving ranges from agricultural districts except when approved by a county before July 1, 2005. Allows each

county's planning department to conduct a study with the Executive Officer of the Land Use Commission to review boundaries within its jurisdiction to develop policies and boundary amendment recommendations that would expand and enhance the use of rural districts. Requires the county planning departments to report on the legislation to redefine the rural district to the 2006 Legislature. Appropriates \$50,000 for fiscal year 2005-2006 to the Department of Business, Economic Development, and Tourism to conduct a study to develop policy and recommend boundary amendments to expand and enhance the use of rural districts.

Hawaii 2050 Task Force; Sustainability Plan. (SB1592, SD1, HD2, CD1) Establishes the Hawaii 2050 task force to review and update the Hawaii state plan and other fundamentals of community planning. Requires the Office of Planning to assist the task force. Requires the task force to prepare a report based on its findings and recommendations and submit it to the Legislature and the Auditor. Requires that after the receipt of the report, the Auditor will create the Hawaii 2050 Sustainability Plan to define and implement state goals, objectives, policies, and priority guidelines. Requires the Auditor, with the assistance of the Office of Planning, to update the plan every 10 years. Appropriates \$25,000 for each year of the 2005-2007 fiscal biennium for the review and recommendations of the task force. Appropriates \$75,000 for each year of the 2005-2007 fiscal biennium to create the sustainability plan. Provides that the task force shall cease to operate after the adjournment of the Regular Session of 2007.

MANAGEMENT

Board of Land and Natural Resources; Qualifications. (SB1680, SD1; Act 9) Requires that at least one member of the Board of Land and Natural Resources have a background in conservation and natural resources.

Business or Development-Related Permit, License, or Approval Process; Extensions. (HB852, HD2, SD2, CD1; Act 68) Provides that a delay in granting or denying a permit due to a lack of quorum on the part of any issuing agency shall not initially trigger automatic approval. Specifies that a subsequent lack of quorum at a regular meeting of the issuing agency delaying the same matter does not give cause for further extension, unless agreed to by all parties. Exempts the Public Utilities Commission from the automatic permit approval law.

Department of Business, Economic Development, and Tourism; Jurisdiction; Office of Planning; Appointment of Director. (SB1877, HD1, CD1) Requires the Department of Business, Economic Development, and Tourism to have sole jurisdiction over the Land Use Commission, state planning, and the State Planning Act. Requires the Director of the Office of Planning to be nominated by the Governor and confirmed by the Senate and to report directly to the Director of Business, Economic Development, and Tourism.

Public Access; Indemnity and Defense Agreements. (HB1276, HD3, SD1, CD1) Provides that affiliates, respective heirs, executors, administrators, representatives, successors, trustees, guardians, assigns, lessees, officers, directors, stockholders, employees and partners will receive the same rights to defense and indemnity from the State as owners of public or private lands who enter into agreements with the Department of Land and Natural Resources. Indemnifies owners, affiliates, respective heirs, executors, administrators, representatives, successors, trustees, guardians, assigns, lessees, officers, directors, stockholders, employees and partners for property losses due to public use, subject to

specific provisions that authorize the Attorney General to review claims and the Chairperson of the Board of Land and Natural Resources to review and settle claims less than \$10,000.

WATER RESOURCES

Hawaiian Outrigger Canoes; Storage on State Shoreline Areas. (HB125, HD2, SD1, CD1)

Allows Hawaiian outrigger canoe clubs registered with the Hawaiian Canoe Racing Association, Hui Wa'a Association, its affiliates, or its successor organization to keep their Hawaiian outrigger canoes on state shoreline areas at no charge, provided that the club shall: (1) indemnify, hold harmless, and defend the State, its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or undertaken under ocean recreation and coastal areas programs, and shall procure sufficient insurance to provide this indemnification if requested by the Department of Land and Natural Resources; (2) coordinate the placement of canoes with the applicable state or county authority to appropriately accommodate all beach users; and (3) secure an annual revocable permit from the applicable state or county agency.

Miloli'i Fisheries Management Area. (SB1883, SD2, HD1, CD1) Designates the Miloli'i fisheries management area as a community-based subsistence fishing area. Requires the Department of Land and Natural Resources to adopt strategies to ensure long-term sustainability of fish population and encourage scientific study and understanding of subsistence fishing management.

Moorage Fees; State Small Boat Harbors. (SB1891, SD2, HD2, CD1) Changes the way moorage fees are determined for commercial vessels by calculating three percent of the gross revenues derived from the use of the vessel or two times the moorage fee assessed for a recreational vessel of the same size, whichever is greater. Expands the types of fees and penalties collected pursuant to rules relating to harbors to be deposited into the boating special fund.

Net Fishing; Kahului Harbor. (HB98, HD2, SD1) Prohibits the use of nets to take or kill fish in Kahului Harbor, provided that persons may use throw net, opae net, crab net, or nehu net no longer than 50 feet to take nehu for family consumption or bait purposes.

Private Residential Noncommercial Piers; Extension. (HB1659, HD1, SD1, CD1) Amends Act 261, Session Laws of 2000, as amended by Act 68, Session Laws of 2002, as amended by Act 103, Session Laws of 2002, allowing the Department of Land and Natural Resources to lease lands for private noncommercial piers in Kaneohe bay, by extending the sunset date to June 30, 2007. Urges the Department of Land and Natural Resources to commence using prevailing real property tax assessment value of the fast lands in determining lease rent of the state submerged land beneath tidal water entered into after 7/1/06.

Shark Monitoring; Leeward Coast of Oahu. (SB1267, SD2, HD2, CD1) Appropriates \$25,000 for fiscal year 2005-2006 to the Department of Land and Natural Resources in conjunction with the Hawaii Institute of Marine Biology to hire a contractor to tag and monitor sharks along the Leeward coast of Oahu from Pearl Harbor to Kaena Point.

OTHER ISSUES

Reverse Vending Machine Rebate Program; Redemption Center and Recycling Infrastructure Improvement Program; Standards. (SB212, SD2, HD2, CD1) Requires the Department of Health (Department) to provide a rebate up to \$3,000,000 in the aggregate in any fiscal year, of the costs of purchasing a reverse vending machine, including shipping and general excise tax, purchased by a dealer. Requires the Director of Health to include in the deposit beverage container program an annual report to the Legislature, a report on the reverse vending machine rebate program. Requires the Department to develop and implement a redemption center and recycling infrastructure improvement program using a request for proposals to contract with dealers and recyclers to improve redemption and recycling infrastructure statewide. Provides that only one award shall be allowed for each person and an award shall not be available to any person to whom a reverse vending machine rebate has been paid. Act shall sunset on 6/30/06.

Seawater Air Conditioning District Cooling System; Public Utility Commission Regulation. (SB1903, SD1, HD1, CD1) Redefines public utility to exclude any person who owns, controls, operates, or manages any seawater air conditioning district cooling project if at least 50 percent of the energy required for the seawater air conditioning district cooling system is provided by a renewable energy resource, such as cold, deep seawater.

Seawater Air Conditioning Projects on Oahu; SPRBs. (HB1238, HD1, SD2, CD1) Authorizes the issuance of \$48,000,000 in special purpose revenue bonds to assist Honolulu Seawater Air Conditioning LLC with one or more of the following: establishing a chilled water distribution system and balance of system components and structures; or financing, refinancing, or financing and refinancing a chilled water distribution system and balance of system components and structures in downtown Honolulu. Authorizes the issuance of refunding special purpose revenue bonds to refund the special purpose revenue bonds.

Resolutions Adopted

I. Agriculture

Diversified Agriculture Industry; Encourage Co-Existence Between Sectors. (SCR208, SD1, HD1; SR115, SD1) Requests the Legislature to support the agricultural community's efforts to promote, support the co-existence of, and appreciate a diversified agricultural industry. Requests the Department of Agriculture and other agricultural stakeholders to establish a dialogue and process on developing a framework for the successful co-existence of all agricultural producers, including organic, conventional, and biotechnological producers. Requests the Department of Agriculture to submit a report on the best practices and management plans to ensure success and co-existence among Hawaii's diverse agricultural interests to the Legislature prior to the 2006 Regular Session. (Note slight differences between the SCR and the SR.)

Estate Grown Hawaii Noni. (HCR165) Supports estate grown Hawaii noni and encourages Hawaii consumers to purchase and support estate grown Hawaii noni and the local noni industry.

Genetically Engineered Crops; Hawaii Biotechnology Forum; Island of Kauai. (SR129, SD1) Supports the efforts of the Hawaii Biotech Policy Forum to convene key stakeholders to discuss the use of biotechnology in crops for food production and use on the island of Kauai. Requests the Hawaii Biotech Policy Forum to submit a report of the results of the stakeholder meetings to the Legislature prior to the 2006 Regular Session.

Molokai Irrigation System; Management Evaluation; Working Group. (SR114) Requests that the Department of Agriculture's Resource Management Division work with the Legislature to create a proposal to improve the management of the Molokai Irrigation System. Requests a working group to be convened for this purpose and a report to be prepared and submitted to the Legislature prior to the 2006 Regular Session.

Real Estate Appraisals; State Agricultural Leases; Income Capitalization Approach. (HCR262, HD1) Requests the Department of Land and Natural Resources (DLNR) to establish a training program in conjunction with the local real estate appraiser's national organization, and as part of their professional educational seminars, to train real estate appraisers to use the income capitalization approach to set lease rent rates for state agricultural lease reopenings. Requests the DLNR to establish a pilot program implementing the income capitalization approach using agricultural yield of the leased land to set land rent rates for state agricultural lease reopenings. Requests DLNR to submit its findings and recommendations to the Legislature prior to the 2006 Regular Session.

II. Conservation and Natural Resource Management

Ahihi-Kinai Natural Area Reserve; Restrictions on Public Access; DLNR. (HCR88, SD1) Urges the Department of Land and Natural Resources (DLNR) to immediately undertake an expedited review of the Ahihi-Kinai natural area reserve by considering specific restrictions including access, capacity limits, commercial activities, and the types of recreational uses. Requests DLNR's Advisory Council to submit a report and proposed legislation to the Legislature prior to the 2006 Regular Session.

Artificial Reefs; Scrapped Federal Ships. (SCR143; SR81) Requests the Department of Land and Natural Resources (DLNR) to actively participate in the federal program to use scrapped federal ships for artificial reefs, and to designate the Waianae coast on the island of Oahu as its initial location for this purpose. Requests the DLNR to report on its progress to the Legislature prior to the 2006 Regular Session.

Coastal Zone Management Program; Hawaii Ocean Resources Management Plan; Update and Implement. (SCR137, HD1; SR75) Recognizes the Coastal Zone Management (CZM) program as the lead agency for coastal zone management in the State and the coordinator of all ocean and coastal resources management efforts, including the revision and implementation of a comprehensive and integrated ocean resources management plan. Requests all state and county agencies engaged in ocean and coastal resources management to report to, consult, and coordinate with the CZM program. Requests the CZM program to hold an informational briefing and provide a status report on its efforts to the Legislature prior to the 2006 Regular Session.

Commission on Water Resource Management; Protect Public Trust Instream Uses. (HCR293, HD1) Urges the Commission on Water Resource Management (Commission) to fulfill its constitutional and statutory mandate to protect public trust instream uses by dedicating

more staff and resources to address problem issues, finalizing its strategic plan to protect public trust instream uses, promptly resolving all pending petitions to restore stream flows, and ordering operators of any stream diversions with no reasonable or beneficial uses to discontinue their diversions. Requests the Commission to submit a report of its progress and findings to the Legislature prior to the 2006 Regular Session.

DLNR Division of Conservation and Resources Enforcement; Financial and Management Audit. (HCR200, HD1, SD1) Requests the Auditor to perform a financial and management audit of the Department of Land and Natural Resources Division of Conservation and Resources Enforcement. Requests the Auditor to report its findings and recommendations to the Legislature prior to the 2006 Regular Session.

DLNR State Boating Facilities; Audit. (SR76, SD1) Requests the Auditor to conduct a follow-up audit to the 2001 Audit of the Management of State Boating Facilities by the Department of Land and Natural Resources, particularly as it applies to the Ala Wai Harbor. Requests the Auditor to evaluate and make recommendations on the feasibility of forming an advisory committee for each small boat harbor to advise the State on the proper management and maintenance of harbors. Requests the Auditor to report the findings and recommendations of the audit to the Legislature prior to the 2006 Regular Session.

Keehi Small Boat Harbor; Honolulu Marine Inc.; Commercial Ship Repair Facility. (SCR134, SD1, HD1) Authorizes the Board of Land and Natural Resources to lease the fast and submerged lands at Keehi Small Boat Harbor to Honolulu Marine, Inc. for the redevelopment, management, and operation of a commercial ship repair facility. Clarifies that this measure does not impute or imply legislative approval of the decisions made independently by the Board of Land and Natural Resources in issuing any lease or by any other federal or state agencies' jurisdiction over navigable waters impacted by this measure. Requests Honolulu Marine to obtain the necessary permits and approvals to redevelop, manage, and operate its facility.

Non-Native Game Animals; Methodologies for Controlling Populations; Working Group Review. (SR26, SD1) Requests the Department of Land and Natural Resources (DLNR) to collaborate with land conservation, hunting, and animal care organizations to review various methodologies for controlling non-native game animals in Hawaii's forested areas. Requests DLNR to form a working group that includes the University of Hawaii's Botany Department; each county's water department; conservation, hunting, and animal care organizations; and companies and other individuals with expertise or interests in watershed areas. Requests the working group to review current and alternative methodologies for controlling non-native game animals in Hawaii. Requests DLNR to submit the work group's findings and recommendations to the Legislature prior to the 2007 Regular Session.

Preserving Hawaii's Marine Resources; Statewide Community Meetings. (HCR267, HD1) Requests the House Committee on Water, Land, and Ocean Resources; the Senate Committee on Water, Land, and Agriculture; and the Department of Land and Natural Resources to meet with marine resource stakeholders on all islands to discuss the preservation for present and future generations of Hawaii's depleting marine resources.

South Kona-Ka'u Coastal Conservation; DLNR Task Force; Established. (HCR5, HD1, SD1) Requests the Department of Land and Natural Resources to establish a coastal conservation task force to review and analyze the impact on fragile and historically essential coastal lands and near shore marine areas of South Kona and Ka'u. Requests that the membership of the

task force be comprised of representatives from various federal, state, and county agencies; landowners, farmers, and community members in the area; private sector conservation organizations; and individuals or entities experienced in cultural resource protection. Requests the task force to submit a report to the Legislature prior to the 2006 Regular Session.

III. Lands

Federal Community Development Block Grant Program; Support from Hawaii's Congressional Delegation. (SCR100) Requests Hawaii's Congressional Delegation to oppose the elimination of the Community Development Block Grant program and to support its restoration into the Housing and Urban Development budget at its current funding level of \$4,700,000,000.

Kawai Nui Marsh; Land Ownership Issues. (SCR177, SD1) Urges the federal, state, and county agencies to work together to resolve the land ownership issues involving the Kawai Nui Marsh and to protect and preserve the natural resources of the marsh.

Kawainui Marsh Complex; National Park Status. (SR51, SD1) Requests Hawaii's congressional delegation to support, work to pass, and vote for National Park protection of the Kawainui and Hamakua Marsh Complex located on the northeast coast on the island of Oahu.

Moanalua Gardens and Kamananui Valley; Damon Estate Endowment. (SR20) Requests Damon Estate trustees and beneficiaries to consider dedicating Moanalua Gardens and Kamananui valley to a nonprofit organization for its continued use and enjoyment by the public.

Shoreline Certifications; Shoreline Setbacks; Review and Analysis. (SCR51, SD1; SR27, SD1) Requests the Department of Land and Natural Resources (DLNR) to conduct a review of the issues surrounding the shoreline certification process for the purpose of shoreline setbacks. Requests DLNR to form and chair a working group that includes various state and county agencies, private land surveyors, land owners, environmental and cultural organizations, and individuals with expertise or interest in the area of shoreline certification. Requests the working group to review current laws and administrative rules governing shoreline certification and explore alternatives and make recommendations to address the problems and issues. Requests the DLNR to submit its findings and recommendations to the 2006 Legislature.

Waiahole Valley Leases; HCDCH and DHHL Transfer. (SCR178, SD1, HD1) Clarifies that the Legislature opposes the proposed transfer of the Waiahole Valley Agricultural Park and residential lots subdivision from the Housing Community Development Corporation of Hawaii (HCDCH) to the Department of Hawaiian Home Lands (DHHL). Requests the HCDCH to rescind its 12/30/04 agreement with DHHL to transfer its fee interest in Waiahole Valley.

WAYS AND MEANS

Bills Passed

I. Fiscal Matters

Grants and Subsidies; Notice by Governor of Unreleased Funds. (HB1672, SD1, CD1) Provides that if a grant awarded by the Legislature is not allocated or released by the Governor within 90 days of the effective date of the legislation awarding the grant, the Governor shall notify the recipient of the unreleased grant on the status of whether the grant is still pending or will not be released. Requires the Governor to provide notice once every quarterly allotment period after adoption of the legislation awarding the grant and until a final determination is made on the status of the grant.

Legislative Expenses; Appropriation. (SB543; Act 1) Makes appropriations for session and nonsession expenses of the Senate and the House of Representatives during the interim. Requires expenses of the Senate to be approved by the President and expenses of the House of Representatives to be approved by the Speaker. Requires the Senate and the House to have their accounts audited and report to the Senate and House, respectively. Sets travel expenses while traveling abroad at \$130 a day. Makes appropriations for the expenses of the Office of the Auditor, State Ethics Commission, the Legislative Reference Bureau, the Office of the Ombudsman, the legislative information system, and for the legislative broadcast program. Amends Act 1, Session Laws of 2004, by providing that moneys in the audit revolving fund shall not lapse into the general fund.

Public Employees; Collective Bargaining Cost Items; Emergency Appropriation. (HB624, SD1; Act 24) Makes appropriation, retroactive to July 2004, to the Director of Finance and Chief Justice for salary increases and other cost adjustments for negotiated collective bargaining cost items for public employees in collective bargaining units 1 (nonsupervisory blue collar employees) and 10 (nonprofessional hospital and institutional workers), for state officers and employees excluded from collective bargaining, and for state employees in units 1 and 10 assigned to the Hawaii Health Systems Corporation.

State Bonds; Debt Limit. (HB1668, SD1, CD1) Establishes debt limit on general obligation bonds. Authorizes the issuance of general obligation bonds for appropriation to finance projects authorized in House Bill No. 100, HD1, SD1, CD1 (the General Appropriations Act of 2005) and House Bill No. 500, HD2, SD2, CD1 (the Judiciary Appropriations Act of 2005), and that are designated to be financed from the general obligation bond fund with debt service cost to be paid from special funds. Limits the total GO bonds issuance to not more than \$807,916,000. Declares that the issuance of such bonds will not cause the State's debt limit to be exceeded at the time of issuance.

State Budget. (HB100, HD1, SD1, CD1) General Appropriations Act of 2005. Appropriates funds for general operating and capital improvement projects for the support of state government operations over the 2005-2007 fiscal biennium. Authorizes the issuance of general obligation bonds. (Refer to the 2005-2007 Biennium Operating Budget Highlights, produced by the Committee on Ways and Means, 5/6/05, for synopses and funding details.)

II. Tax Matters

Employer Withholding of Income Tax; Remittance. (SB840, SD1; Act 27) Requires every employer whose liability for taxes withheld exceeds \$40,000 annually to remit the complete amount withheld on a semi-weekly schedule. Defines "semi-weekly schedule."

Income Tax Withholding; Disposition of Real Property; Nonresident Persons. (SB842, SD1; Act 23) Clarifies definition of "resident person" to provide that if a single member limited liability company has not elected to be taxed as a corporation, the single member limited liability company shall be disregarded for withholding purposes and the withholding of tax shall be applied as if the sole member is the transferor.

State Income Tax Law; Conformance with Internal Revenue Code. (SB834, SD2, HD1; Act 60) Updates Hawaii income tax law to conform to revisions in the Internal Revenue Code. Effective starting the 2005 calendar year.

Tax Appeals; Claims for Refunds. (SB460, HD1) Allows an appeal of a denial of a tax refund by filing a written notice of appeal to the board of review or the tax appeal court within 30 days after notice of the denial of the claim. Allows an appeal to be filed after 180 days from the date that the tax refund claim was filed provided the department has not given notice of a denial of the claim.

Taxation; Streamlined Sales and Use Tax Agreement; Compliance by Seller. (HB1224, SD1, CD1) Allows a seller that registers to pay or collect and remit sales or use tax in accordance with the terms of the streamlined sales and use tax agreement to select specified methods of remittance or other methods allowed by law to remit the taxes collected. Repeals the advisory council. Clarifies that the Department of Taxation may enter into the streamlined sales and use tax agreement with the concurrence of the Legislature. Requires the Department of Taxation together with designees selected by the President of the Senate and Speaker of the House of Representatives to identify issues that need to be resolved to effectuate the orderly enactment and operation of a streamlined sales and use tax, and to submit proposed legislation to the Legislature for the 2006 Legislature. Appropriates \$50,000 for fiscal year 2005-2006 to the Office of the Auditor for technical assistance and briefings.

III. Administrative Matters

Legislative Allowance; Incidental Expenses. (HB1236, SD1, CD1) Increases the annual allowance for each member of the Legislature from \$5,000 to \$7,500 for incidental expenses connected with legislative duties. Provides that when the legislative salary is increased, the legislative allowance shall be increased by the same percentage. Effective 1/18/06.

Legislative Travel Allowances. (HB1235, HD1, SD1, CD1) Revises the travel allowances for non-Oahu legislators during session, for expenses while traveling on official legislative business during a session within the State, for expenses while on official legislative business during a period of recess and interim official legislative business, and for expenses while traveling on

official legislative business outside the State. Sets the allowances at a single rate that will not exceed the greater of the maximum allowance for such expenses payable to any public officer or employee of the federal government or the State, be reasonably calculated to cover expenses, and be determined jointly by the President of the Senate and the Speaker of the House of Representatives for the Legislature as a whole. Effective 1/18/06.

Sexual Violence Prevention and Treatment Programs; Voluntary Environmental Response Action. (HB1462, SD1, CD1) Requires the Department of the Attorney General to administer programs for the prevention of sexual violence and the protection and treatment of victims of sexual violence. Clarifies provisions relating to the Hawaii environmental response law by adding that in the case of a requesting party that is a public or nonprofit agency, the Director of Health may reduce or waive fees if the director deems it to be in the public interest; amending provisions relating to exemption from liability; and by specifying that the exemption from liability is not effective if a prospective purchaser fails to comply with the terms and conditions in the letter of completion.

Uniformed Security Function Transfer to Hawaii Health Systems Corporation. (HB1666, HD1, SD1; Act 61) Transfers the functions, authority, and employee positions of the Department of Public Safety relating to uniformed security employees and security contracts at health facilities under the operation, management, and control of the Hawaii Health Systems Corporation to the Corporation.

BUDGET SUMMARY

Overview

HB100, HD1, SD1, CD1, the General Appropriations Act of 2005 (the state budget bill), was crafted by the Legislature as a balanced budget, which focuses primarily on improving the quality of life for the people of Hawaii. This approach also recognizes the pressing needs of our communities, particularly in the areas of education, controlling the crystal methamphetamine or "ice" epidemic, supporting the most vulnerable people in our communities, and ensuring a sustainable future for our children. Despite strong economic indicators for Hawaii, the Legislature, as in previous years, continues to take a prudent and fiscally responsible approach to balancing competing demands for resources in the development of the Executive Biennium Budget.

At its March 8, 2005 meeting, the Council on Revenues updated its forecast of the general fund tax revenues for fiscal year 2004-2005 and beyond. The growth rate for the current fiscal year is forecast at ten percent, up from 8.8 percent from its January 6, 2005 prediction. However, the Director of Taxation cautioned the Council that the bulk of the increase in revenues over the last fiscal year is attributable to one-time events that are unlikely to be repeated. The Council also revisited their visitor arrival assumptions and deemed them too high. Applying that rate to our current visitor levels would mean that total visitor arrivals would exceed 8,000,000 a year in the very near future. This was deemed to be an unrealistic forecast given our current capacity and lack of plans to increase it. The growth forecast was therefore lowered for fiscal year 2005-2006 from 5.3 percent to five percent and for the following year from 5.7 percent to 4.9 percent. Although the outlook based upon the Council's projections is promising, the Legislature proceeded with caution in anticipation of a reduction in state tax revenue. Additionally, a reduction in federal funding to Hawaii is looming on the horizon as Congress debates the President's plan to shift more of its current services and obligations onto the states.

According to the National Conference of State Legislatures, Hawaii joins the overwhelming majority of states with no budget gaps for fiscal year 2004-2005. Hawaii also falls in line with about half of the states entering fiscal year 2005-2006 without any spending overruns. Performance of major tax categories has exceeded expectations from last year, with the outlook for fiscal year 2005-2006 being positive but not likely to match or exceed the current fiscal year's rate of growth.

COLLECTIVE BARGAINING

In any organization, the quality of services delivered is determined by the quality of its employees. By addressing the salary and other conditions of work issues of teachers, firefighters, engineers, nurses, and other public workers, it should be easier to select and retain the best public servants who can provide the best services to the people of Hawaii. In today's economy, the public sector must remain competitive with the private sector in terms of wages and benefits.

The Legislature adjusted expenditures to account for the collective bargaining agreements for the Hawaii Government Employees Association, United Public Workers, and the Hawaii State Teachers Association. These agreements will cost the State the following amounts:

	<u>FY 2005-2006</u>	<u>FY 2006-2007</u>
Hawaii Government Employees Association	\$31,200,000	\$81,000,000
Hawaii State Teachers Association	\$20,500,000	\$77,100,000
United Public Workers	\$9,100,000	\$20,500,000

LOWER EDUCATION

The executive branch submitted a biennial budget on behalf of the Department of Education totaling only \$23,500,000, creating underfunded and unfunded public education needs that totaled approximately \$79,200,000 to \$82,100,000 as compared to the department's October 2004 operating budget request. One of the Legislature's top priorities was to address the shortfalls in public education. The state budget bill exceeds the Governor's proposal by almost twice the amount requested for the Department of Education. Still, the almost \$40,000,000 appropriated by the Legislature does not fully provide for budgetary shortfalls in the Department of Education. However, in light of lower revenue projections from the Council on Revenues in its March 2005 forecast, the Legislature feels it did its best in crafting a balanced budget that not only addressed educational priorities but other top priorities as well, such as autism spectrum disorder, conversion of school principals to a twelve-month salary schedule, school food services, and capital improvements.

In Hawaii, the increase in the number of students diagnosed with autism spectrum disorder is estimated at sixteen percent annually. Based upon its initial analysis, the Department of Education requested an additional \$6,000,000 for the fiscal biennium 2005-2007 to address the needs of students diagnosed with autism spectrum disorder. Although the Governor approved the amount, further analysis indicated that, for the fiscal biennium 2005-2007, the additional amount needed to address the needs of students diagnosed with autism spectrum disorder was over \$10,000,000. The Legislature agreed with this later analysis and provided \$10,000,000 in additional general funds for their treatment.

The Legislature appropriated \$5,286,750 in each year of fiscal biennium 2005-2007 to convert the salary schedules of school principals to a twelve-month salary schedule. The Legislature provided a total of \$20,000,000 in general funds toward school food services. This amount approximates over ninety percent of the accumulated balances that remained in the school food services' special and federal funds accounts at the beginning of the fiscal biennium 2003-2005. The Legislature provided a total of \$280,000,000 in capital improvement program funds, including \$100,000,000 for school repairs and maintenance.

HIGHER EDUCATION

The Legislature appropriated a salary raise installment in the six-year collective bargaining contract between the State and the University of Hawaii professors to fully provide for the University of Hawaii Professional Assembly's collective bargaining costs of \$37,200,000 (\$13,100,000 in fiscal year 2005-2006 and \$24,100,000 in fiscal year 2006-2007).

The Legislature provided nearly \$16,000,000 in general funds for fiscal biennium 2005-2007 in increased support for various University of Hawaii programs, such as nursing, improvements to campus security, workforce development, financial aid and student services to the community colleges, a "B" Plus Scholarship Program, and several Hawaiian studies programs.

The Legislature provided \$13,000,000 in general fund appropriations and revolving fund ceiling increases to address projected shortfalls in operating, faculty, and support functions at the new facilities for the John A. Burns School of Medicine. The intent of this appropriation is to provide general funds to support costs associated with the educational functions of the facility, while authorizing expenditure ceiling increases from the research and training revolving fund to temporarily support the research component of the John A. Burns School of Medicine, Kakaako facility. This action will give the research component of the facility time to become fully operational to fulfill the expectations of the Legislature, the University community, and the general public that it will become a world-class medical, biomedical, and biotech center. It is hoped that, as more external funding is obtained for research by the School of Medicine, the initial "investment" from the research and training revolving fund will be returned several-fold.

The Legislature eliminated approximately two hundred positions from the University of Hawaii system. These positions have been vacant and unfunded for at least one year. Vacant and unfunded positions occur when the University of Hawaii chooses to reallocate funding to other areas of importance. In the past several years, while other executive branch departments have experienced the reduction of vacant and unfunded positions, very few, if any, vacant and unfunded positions have been reduced from the University of Hawaii inventory. It is estimated that, at the beginning of the 2005 Regular Session, over five hundred positions were classified as vacant and unfunded in the University of Hawaii system.

SUBSTANCE ABUSE TREATMENT

The Legislature provided an additional \$13,100,000 in general funds to the Department of Health for substance abuse treatment services and prevention programs over the biennium for both adolescents and adults. In addition, the Legislature provided \$1,200,000 in each year of the biennium for the counties to continue support for anti-drug campaigns and community substance abuse prevention.

PUBLIC SAFETY

With the unlikelihood of any new detention facilities being built in Hawaii in the near future, transferring inmates to the mainland or to the Federal Detention Center is the current solution to reducing the overcrowding at our correctional facilities. This budget approves the transfer of an additional two hundred fifty inmates to out-of-state facilities, which would bring the total Hawaii inmate population housed on the mainland to 1,867. The Legislature provided \$6,055,128 for fiscal year 2005-2006 and \$7,203,436 for fiscal year 2006-2007 for this purpose. Those amounts include \$1,500,000 per year to cover a 2.5 percent annual increase in the basic daily fee for the one thousand six hundred inmates currently held in mainland facilities. Furthermore, the Legislature provided \$8,200,000 over the 2005-2007 fiscal biennium for one hundred forty more contract beds at the Federal Detention Center.

With the recent construction of new court buildings and the increased responsibility over state buildings and their interests, the Legislature has provided for eighteen new deputy sheriff positions for Hawaii, Maui, and Oahu courts at a cost of \$566,230 in fiscal year 2005-2006 and \$851,624 in fiscal year 2006-2007.

HEALTH

The Legislature is committed to strengthening Hawaii's system of care and affirms its support for our most vulnerable populations, including those suffering from mental illness and substance abuse. The Legislature further reaffirms its commitment to ensuring that the health and safety needs of all of Hawaii's people are met despite the State's limited resources. As such, the appropriations authorized ensure sufficient funds for the Department of Health's high priority areas, specifically, developmental disabilities, adult mental health, and substance abuse.

To provide for the increase in the number of individuals with developmental disabilities admitted to the Home and Community Based Waiver Services, the Legislature provided \$15,710,000 in general funds over the 2005-2007 fiscal biennium to be matched by Title XIX federal funds. The Legislature provided \$1,000,000 in general funds for each year of the biennium to fund emergency medical services for the County of Maui's aeromedical services. The Legislature provided \$996,960 in general funds to the Hawaii State Hospital. These funds provide for the increasing costs of pharmaceutical drugs, the implementation of an automated medication dispensing system, as well as the acquisition of medication carts over the biennium. In addition, \$27,500 in general funds was provided to the Hawaii State Hospital to purchase a truck to meet the growing demands of the facility. The Legislature further provided \$2,820,000 in general funds for staffing support for the various statewide Community Mental Health Centers. The Legislature readily acknowledges the need to support the safety net hospitals and provides a continued recurring source of general funds amounting to \$32,300,000 for fiscal year 2005-2006 and \$34,100,000 for fiscal year 2006-2007 to the Hawaii Health Systems Corporation. The Legislature also included a proviso earmarking up to \$2,000,000 from the early intervention special fund in fiscal year 2005-2006 to support the Healthy Start program while the department works to resolve the problems that the program faces.

HUMAN SERVICES

The Legislature reviewed the budget requests of the Department of Human Services and approved the vast majority of them. That approval, however, came with reservations due, in large part, to the absence of timely communication from the department. The lack of information left the Legislature with questions regarding the department's fiscal discipline, accountability for taxpayers' moneys, and the department's responsibility to the Legislature to provide the information necessary to make appropriate decisions. Despite the department's failure to respond to the Legislature's requests for information, the Legislature provided the majority of the department's budget requests, including Temporary Assistance to Needy Families payments to assist the aged, blind, and disabled population and non-citizen households; affordable rental housing; homelessness; medical care to the State's low-income population through the Medicaid program; and home- and community-based services

program to provide Medicaid waiver services to low-income persons with disabilities and chronic illnesses to live in community settings.

The Legislature appropriated an additional \$5,000,000 annually for development, construction, and management of affordable housing. In addition, the Legislature realized that the homeless problem facing our State has grown too large, and therefore appropriated an additional \$1,600,000 to provide homeless individuals and families with a safer and better living standard.

The Legislature found it necessary to appropriate an additional \$7,500,000 in fiscal year 2005-2006 and \$15,400,000 in fiscal year 2006-2007 to assist the needy adults and children eligible under the Hawaii QUEST program. The Legislature further found that the population of the aged, blind, and disabled has reached over 37,000 recipients and is expected to increase further by approximately sixteen percent per year. It is crucial to provide payments for medical care to the State's low-income population through the Medicaid program. The Legislature accordingly appropriated additional general funds of \$29,700,000 in fiscal year 2005-2006 and \$41,700,000 in fiscal year 2006-2007 to improve health care in Hawaii.

In caring for the needs of the developmentally disabled and mentally retarded, the Legislature appropriated an additional \$16,100,000 in fiscal year 2005-2006 and \$19,200,000 in fiscal year 2006-2007 for qualified children and adults in the program to improve the much needed health care of our needy population in Hawaii.

COUNTIES

The Legislature recognized that the counties required assistance in the repair and maintenance of public roads. To this end, the Legislature provided an additional \$10,000,000 to assist each of the counties in their efforts to improve those thoroughfares that suffer from disrepair.

BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

The Legislature added \$8,200,000 in fiscal year 2005-2006 and \$9,700,000 in fiscal year 2006-2007 in tourism special funds for the continued expansion of its promotional programs. The Legislature provided \$1,500,000 in each year of the fiscal biennium for the Hawaii Experimental Program To Stimulate Competitive Research that has proven to be successful over the last three years and \$551,769 in fiscal year 2005-2006 and \$251,769 in special funds for fiscal year 2006-2007 for the implementation of the petroleum industry data and information functions as mandated by state law.

TAXATION

Since 1999, when the Department of Taxation initiated the first phase of the Integrated Tax Management System, the State began to locate and generate additional revenues through improved tax collection efficiencies. Now, with its final phase of implementation completed, the Legislature continues to support the Integrated Tax Management System and is appropriating \$2,500,000 over the next fiscal biennium for production support to ensure that

the system continues to operate at its fullest potential. The Legislature provided thirty-one new auditor and collector positions in fiscal year 2005-2006 and six new positions in fiscal year 2006-2007 to facilitate the eventual collection of approximately \$38,700,000 in additional annual tax revenues.

LAND AND NATURAL RESOURCES

The Legislature supports continued and expanded efforts to combat invasive species in the State. In response to various threats such as the Coqui frog and *Salvinia molesta*, the 2003 Legislature established the Hawaii Invasive Species Council. The Council is charged with protecting the State against invasive species threats to the natural environment, and the health and lifestyle of Hawaii's people. To show its full support in combating invasive species, the Legislature provided \$4,000,000 for fiscal year 2005-2006 and fiscal year 2006-2007.

Recognizing the projected growth of the cruise ship industry in Hawaii and its possible effects on homeland security, the Legislature has provided an additional ten Conservation and Resources Enforcement Officer positions throughout the State, as well as an additional \$287,000 in general funds and \$450,000 in special funds annually. These positions are essential for providing a safe outdoor environment to the 1,200,000 residents and 6,000,000 visitors who utilize the State's natural resources on a regular basis. With the fourth largest coastline in the nation and eleventh largest state forest, the Conservation and Resources Enforcement Division would be hard-pressed to continue operating in an effective manner with their current staffing levels. The addition of five positions and the restoration of five previously abolished positions will help increase coverage around the State.

The Legislature has provided eleven temporary positions, an additional \$402,000 in general funds over the fiscal biennium, and a special fund ceiling increase of \$1,560,000 over the biennium for the maintenance of state parks. These additional funds will assist in contracting much needed staffing to address continuous, ongoing repairs and maintenance for all parks statewide.

AGRICULTURE

Hawaii's endemic natural resources are some of its most important economic assets. It spurs a tourist industry that has been one of the primary forces in Hawaii's economy for decades. There is a need to prevent the incursion of invasive species that pose a threat to Hawaii's unique flora and fauna. To address this, the Legislature approved the addition of ten plant quarantine inspector positions to perform detector dog handler duties. The Legislature provided \$494,721 in general funds in both fiscal years for agriculture development, research, and marketing, and funding of \$184,000 in both fiscal years to assist farmers in covering the increased costs of water use and irrigation maintenance.

DEFENSE

The Legislature appreciates the sacrifices made by veterans who defended our freedom and liberties. While the Executive Branch's request for the rehabilitation of the Hawaii State Veterans' Cemetery was not provided for in this measure, an amount exceeding the requested amount was provided for in H.B. No. 115, H.D. 1, S.D. 2, C.D. 1. In total, \$208,450

was provided for the cemetery in that measure. The Legislature further appropriated \$250,000 for fiscal year 2005-2006 for an event to thank our troops for their service.

The Legislature understands the geographic vulnerability of Hawaii. In light of recent events in South Asia, the Legislature funded the conversion of various temporary civil defense positions to permanent status. This will enable the State to be more informed on, and prepared for, natural and man-made disasters. The Legislature authorized more than \$10,000,000 in federal funds to reflect homeland security grant funds to assist counties and state agencies in combating terrorist threats.

CONCLUSION

Despite the strong economic indicators for Hawaii and the Council on Revenues' positive revenue projections, the Legislature has taken an extremely prudent and thoughtful approach to allocating our financial resources in a responsible manner. This balanced budget provides for the needs of our public schools and communities. While public expectations are high, the Legislature has remained vigilant and has carefully scrutinized how taxpayer dollars are spent.

For more details on the state budget, please refer to the 2005-2007 Biennium Operating Budget Highlights, May 6, 2005, prepared by the Committee on Ways and Means, which contains a compilation of highlights for the operating budget of the Executive Branch as contained in the state budget bill, as well as the operating budgets of the Judiciary and the Office of Hawaiian Affairs, as contained in HB500 and HB450, respectively.

LIST OF MEASURES PASSED by the 2005 Legislature

Business and Economic Development

SENATE BILL(S)

SB121, HD1, CD1	Brewpubs; recyclable containers; permits sales by licensed brewpubs to class 2 restaurant licensees for off-premises consumption
SB1378, SD2, HD1, CD1	Pearl Harbor Historic Trail; designates path from Halawa Landing to Waipahu
SB1721, SD2, HD2, CD1	State Cultural Public Market; directs Hawaii Community Development Authority to establish

HOUSE BILL(S)

HB162, HD2, SD1, CD1 (Act 50)	Small business; directs Procurement Policy Board to adopt rules to promote growth and development
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SENATE CONCURRENT RESOLUTION(S)

SCR17, SD2	Uniform State Building Code; task force
SCR155, SD1	International Pacific Asian Youth Baseball League Championship Tournament; feasibility
SCR183, SD1	Workforce development; role of University of Hawaii

SENATE RESOLUTION(S)

SR46, SD1	State Cultural Public Marketplace; establishment by DBEDT within the HCDA urged
SR87, SD1	International Pacific Asian Youth Baseball League Championship Tournament; feasibility

Commerce, Consumer Protection, and Housing

SENATE BILL(S)

SB117, HD2, CD1	HCDCH; amendment of housing development contracts; Puukolii Village
SB119, SD1 (Act 2)	Architects; mandatory continuing education
SB179, SD3, HD2, CD1	Affordable housing omnibus legislation; GET exemption; RHTF priorities; decommissioned public housing; DURF permanent financing; Hawaii Housing Finance and Development Administration; joint legislative task force
SB693, SD1, HD1, CD1	Charitable gift annuities; program activities; annual statement filing deadline; calculation of segregated assets
SB702, SD2, HD1, CD1	Antitrust; applicable to all business entities; injunctive relief
SB754, SD1, HD1, CD1	Insurers; examination; certificate suspension; recovery of premiums owed; Interstate Insurance Product Regulation Commission
SB768, SD1, HD1 (Act 54)	No rules combat and extreme or ultimate fighting; definition of sport and exempt activities clarified; exemption requirements; penalties; injunctive relief
SB797, SD1, HD1, CD1	Public housing; terminology clarified; sale of housing units
SB1117, SD1, HD1, CD1	Electric utilities; SPRBs
SB1132, SD2, HD1, CD1	Condominium law recodification; creation, alteration, and termination; registration and administration; protection of purchasers; investment of AOA funds
SB1140, SD1 (Act 38)	Financial services loan companies; fees
SB1170, SD2, HD1 (Act 65)	Electronic commerce; anti-phishing task force
SB1336, SD1, HD1	Sale of leased fee interest in condominium or housing cooperative between co-lessor charitable organizations; exempt from right of first refusal requirement

SB1345, SD1	Condominium management dispute; administrative hearing; scope
SB1348, SD1, HD1, CD1	AOAO board meeting minutes; owner's request for copy
SB1349, SD1, HD1, CD1	AOAO records; retention and review
SB1453, SD2, HD1, CD1	Public service company tax; private sewer company
SB1778, SD2, H1, CD1	Unlicensed contracting; cease and desist order; fine
SB1798, HD1, CD1	Condominium association boards; majority vote required to remove director; cumulative voting
SB1802, SD1 (Act 31)	Captive insurers; service of process; stockholding limitation; examination

HOUSE BILL(S)

HB99, HD1, SD2 (Act 62)	Business Action Center; transfer from DBEDT to DCCA
HB160, HD2, SD1, CD1	Insurers; Compliance Resolution Fund assessments; Captive Insurance Administrative Fund expenditures; financial and management audit
HB161, HD1, SD1	Securities exemption; rental management contract offer or sale
HB390, HD1, SD2, CD1 (Act 67)	Rental motor vehicle surcharge tax; permanent exemption
HB477, HD1, SD1, CD1	Roth IRA; exempt from attachment, execution, and seizure
HB556, SD1 (Act 42)	Wireless Enhanced 911 Fund; emergency appropriation
HB769, HD3, SD2, CD1 (Act 52)	Electric utility cooperative association; unclaimed property; non-escheat patronage refunds
HB785, HD1, SD1, CD1	Time share; foreclosure under power of sale

HB931, HD2, SD2, CD1

Mandatory leasehold conversion; sustainable affordable development exemption

HB1554, HD2, SD2, CD1

Leased fee interest sale; capital gains; tax deduction

SENATE CONCURRENT RESOLUTION(S)

SCR49, SD1

Electrical and plumbing licensing laws; enforcement; task force

HOUSE CONCURRENT RESOLUTION(S)

HCR3, HD1, SD1

Federal policies to end homelessness; federal support urged

HCR4, HD1

Interstate compact regarding perils affecting property and casualty insurance costs; insurance commissioner review of feasibility

HCR83

NCOIL Property-Casualty Insurance Modernization Act; DCCA review

HCR113

Hawaii Insurance Bureau fire rating program; effectiveness study

HCR156

Professional and vocational regulation; comparative analysis

HCR172, HD1

Regulation of payday lenders and deferred deposit check cashers; sunrise review

HCR204

Regulation of condominium association managers; sunrise review

SENATE RESOLUTION(S)

SR24, SD1

Electrical and plumbing licensing laws; enforcement; task force

SR55

Professional and vocational regulation; comparative analysis

Education and Military Affairs

SENATE BILL(S)

SB639, SD2, HD1, CD1	Department of Education; teachers' housing
SB778, SD1 (Act 6)	Autism spectrum disorder; school-based behavioral health services; emergency appropriation
SB1249 (Act 19)	School-to-work; executive council
SB1253, SD1, HD1, CD1	School community council; responsibilities
SB1394, SD2, HD2, CD1	Federal revenue maximization; medicaid; school health services
SB1483 SD1, HD1, CD1	Waimea Country School; SPRBs
SB1643, SD2, HD2, CD1	New century charter schools; funding mechanisms; omnibus
SB1660, SD2, HD1, CD1	School facilities; capital improvement projects; appropriation
SB1661, SD2, HD2, CD1	Students with disabilities; administrative hearings
SB1814, SD2, HD2, CD1	Impact fees; working group
SB1816, SD2, HD2, CD1	Student substance abuse assessment referrals; Department of Education policies

HOUSE BILL(S)

HB8, HD1 (Act 21)	Hawaii medal of honor
HB115, HD1, SD2, CD1	Hawaii State Veterans Cemetery; University of Hawaii; military students; uniform maintenance allowance direct deposit
HB295, HD2, SD2, CD1	Professional and vocational license extension; deployed military personnel
HB758, HD2, SD2	Meal count assistants, adult supervisors, and classroom cleaners; minimum wage

HB841, SD2, CD1	Workforce development council; appropriation
HB843, HD1, SD1, CD1 (Act 71)	School lunch; price calculation
HB844, HD1, SD2, CD1	Public school teachers; shortage; retention
HB1029, SD2	Hawaii veterans' newsletter; appropriation
HB1295, HD2, SD2, CD1	Asbestos testing; schools
HB1300, HD2, SD2, CD1	Early childhood education; task force; facilities
HB1550, HD1, SD1, CD1	Students; administering medication
HB1555, HD1, SD1, CD1	Hualalai Academy; SPRBs

SENATE CONCURRENT RESOLUTION(S)

SCR66	Substance abuse prevention programs; school connectedness
SCR70, SD1	Homeschoolers; Department of Defense enlistment policy
SCR191, HD1	No Child Left Behind Act; performance based contracts
SCR192	Armed forces reserve component; TRICARE health benefits

HOUSE CONCURRENT RESOLUTION(S)

HCR101	School transportation; extra-curricular activities; summer school
HCR199	Educational service agencies; Pacific Resources for Education and Learning
HCR208, HD1	Even start family literacy program; federal funding
HCR245, HD1	No Child Left Behind Act
HCR246, SD1	USS Arizona Memorial Stamp
HCR249, SD1	Filipino World War II veterans; veteran benefits

HCR273, HD1

Volunteers; education

HCR282

School Credit; Board of Education student member

SENATE RESOLUTION(S)

SR7, SD1

Edible school gardens; curriculum

SR30

Substance abuse prevention programs; school connectedness

SR33, SD1

Homeschoolers; Department of Defense enlistment policy

SR47, SD1

Peer education programs; secondary schools

SR102

Civic learning; Department of Education

SR103

Volunteers; education

SR104

Armed forces reserve component; TRICARE health benefits

Energy, Environment, and International Affairs

SENATE BILL(S)

SB212, SD2, HD2, CD1

Reverse vending machine rebates; redemption center infrastructure improvements

SB680, SD1, HD1

Deposit beverage container redemption centers; reverse vending machines; universal product code

SB1003, SD2, HD2, CD1

Net energy metering program; maximum capacity of eligible customer-generator; carryover of credit for surplus electricity generated

SB1262, SD1, HD2, CD1

Waianae Coast; baseline environmental study for ocean recreation; moratorium on issuance of state small boat harbor facility commercial permits covering the Waianae coast

SB1427, SD1, HD2, CD1

High energy efficient vehicles; alternative fuels; state procurement

SB1554, SD1, HD2, CD1

Environmental workforce; invasive species; Research Corporation of the University of Hawaii

HOUSE BILL(S)

HB291, HD1 (Act 4)

Advisory Committee on Pesticides; landscape professional member

HB408, HD2, SD1, CD1

Environmental impact statement; wastewater treatment unit; review of agency determinations of own projects

HB422, HD2, SD2, CD1

Cruise ships; prohibition of certain discharges and emissions

HB606, HD1, SD2, CD1 (Act 69)

Net metered renewable energy systems; standards for systems greater than 10 kilowatts; exemptions

HB895, HD2, SD2, CD1

Coastal light pollution prohibition; certain exceptions for hotel, hotel-condo, and government uses

HB1015, HD2, SD1

Deposit beverage container program; passenger vessels; exemption

HB1017, HD3, SD2, CD1

Solar energy devices; single-family residential dwellings and townhouses

HB1301, HD1, SD2, CD1 (Act 51)

Coqui frog control or eradication; appropriation

HB1430, HD2, SD2, CD1

Solid waste disposal; petty misdemeanor and civil violations; green waste exception

SENATE CONCURRENT RESOLUTION(S)

SCR140, HD1

Environmental justice; guidance document; environmental council; environmental impact statement law

HOUSE CONCURRENT RESOLUTION(S)

HCR62

Republic of Kiribati; war reparations

SENATE RESOLUTION(S)

SR78	Environmental justice; guidance document; department of health; environmental impact statement law
SR100	United Nations Declaration on the Rights of Indigenous Peoples; Indigenous People of Hawaii
SR112	Darfur Accountability Act of 2005; support

Health**SENATE BILL(S)**

SB3, SD2, HD2, CD1	Developmental disabilities domiciliary homes (DDDH) licensure; DDDH and apartment complex contracts
SB118, SD2, HD2, CD1	Dental hygienists; licensure by regional examination until national examination
SB122, SD1, HD3, CD1	Case review forums; protection from discovery
SB459, SD2, HD1, CD1	SPRBs; computer equipment and software purchase; lease financing; Hawaii Pacific Health
SB527, SD2, HD1	Purchases of health and human services; county agencies
SB568, SD1, HD2, CD1	Dentists; licensure by regional examination until national examination; dental specialists licensure by credential; sunset repeal
SB682, SD2, HD3, CD1	Retail tobacco permit; criminal penalties; appropriation
SB761, SD2, HD1, CD1	Mental health, alcohol, drug abuse treatment insurance; definition of serious mental illness expanded
SB781 (Act 29)	Infectious and communicable diseases; enforcement of quarantine
SB782, SD1 (Act 7)	Early intervention services; appropriation

SB789, HD1 (Act 15)	Home and community based services; appropriation
SB791, SD2, HD2, CD1	Special treatment facilities and therapeutic living programs licensure; county zoning of drug rehabilitation homes
SB802, SD2, HD1, CD1	State pharmacy assistance program; special fund
SB1100, SD2, HD1, CD1	Pseudoephedrine; permit; wholesaler reporting; criminal penalties
SB1230 (Act 11)	Dental insurance; dental service corporations
SB1235, HD1 (Act 40)	Program for all-inclusive care for the elderly (PACE); Maluhia hospital demonstration project; sunset repeal
SB1285, SD2, HD1, CD1	Traditional Hawaiian healing practices; Kupuna Council; Native Hawaiian healing methods
SB1419, SD1	Domestic violence and sexual assault special fund; strategic plan and report
SB1420, SD2, HD3, CD1	Medicaid; pre-authorization exemption of psychotropic medication for emergency psychiatric or psychological service
SB1473, SD1, HD1, CD1	Waimano Ridge; notification of new or expanded use of public land
SB1713, SD1 (Act 37)	Kalaupapa; patient residents; protection of personal liberty, autonomy, and dignity

HOUSE BILL(S)

HB332, HD1, SD2, CD1	Frozen food products; notification of previously frozen and thawed baked goods
HB516, HD2, SD1 (Act 46)	Emergency health powers; emergency response stockpile for CBRNE event
HB683, HD1, SD2 (Act 43)	Adult mental health services; emergency appropriation
HB684, HD1 (Act 25)	Ambulance service contract collective bargaining costs; emergency appropriation

HB1051, HD2, SD2, CD1	Medicaid; pre-authorization exemption for HIV/AIDS and hepatitis C medications and transplant immunosuppressives
HB1118 (Act 30)	Nurses; prescriptive authority; appropriate working relationship
HB1304, HD1, SD2, CD1	Health care task force; appropriation and report; surcharge for marriage license agent compensation

SENATE CONCURRENT RESOLUTION(S)

SCR7, HD1	Statewide strategic plan; obesity prevention and healthy lifestyles
SCR44	Medicaid; preservation of coverage and benefits
SCR63	Mental health awareness month; May
SCR93, SD2	Maui Memorial Medical Center; child and adolescent psychiatric crisis stabilization services; stakeholder group
SCR109, SD1	Hepatitis C; educational materials
SCR135, SD1	Comprehensive vog emissions monitoring system; report on plan, findings, and status
SCR195, SD1, HD1	Access to specialty care on neighbor islands and rural Oahu; SHPDA evaluation and report
SCR196	State; smoke-free by 2010
SCR197, SD1	Medical marijuana program; working group; report

HOUSE CONCURRENT RESOLUTION(S)

HCR8	Cervical cancer awareness month; January
HCR10, HD1, SD1	Emergency contraception; emergency interagency work group
HCR40, HD1	Developmental disabilities and choice of residential setting; residential settings task force

HCR67, SD1	Athletic health care trainers; sunrise review
HCR77, HD1	Federally qualified health centers; statewide development
HCR95	Long-term care; state support of family caregivers
HCR96	Long-term care; DOH and DHS support of family caregivers
HCR99	Airports; smoke-free from cabin to curb
HCR222, HD1, SD1	Water quality; DOH standards and practices in upcountry Maui
HCR229, HD1, SD1	On-call crisis at The Queen's Medical Center Trauma Center; LRB and DOH studies
HCR255, HD2	Prescription of psychotropic medication by psychologists; feasibility study by interim task force

SENATE RESOLUTION(S)

SR22	Medicaid; preservation of coverage and benefits
SR41, SD1	Electronic health and medical records management; consortium to develop standards
SR60, SD1	Public health; preparation for possible influenza pandemic
SR73, SD1	Comprehensive vog emissions monitoring system; report on plan, findings, and status
SR106	State; smoke-free by 2010

Higher Education

SENATE BILL(S)

SB116, SD2, HD2, CD1	Nurses; scholarship program; appropriation
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SB667, SD2, HD2 (Act 44)	Emergency appropriation for flood losses
SB1256, HD1	Constitutional amendment; UH; Board of Regents
SB1257, SD2, HD2, CD1	UH; Board of Regents; candidate advisory council

HOUSE BILL(S)

HB19, HD2, SD2, CD1	UH; revenue bonds; housing units; appropriation
HB20, SD1	UH; autonomy
HB1749, HD2, SD2	Decriminalization of non-serious offenses

SENATE CONCURRENT RESOLUTION(S)

SCR68, SD1, HD1	Mauna Kea Science Reserve; audit
SCR173	UH; energy efficient performance standards
SCR174	UH; Lyon Arboretum; report
SCR200, SD1, HD1	Stem cell research; study

HOUSE CONCURRENT RESOLUTION(S)

HCR151, HD1	Global Youth Center in Hawaii; establishment
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Human Services

SENATE BILL(S)

SB27, SD1, HD1, CD1	DHS; Kapiolani CARE Program; appropriation
SB40, SD1, HD1	Caregiver consent for minor's health care
SB556, SD2, HD2, CD1	Family Court; shared parenting
SB675, HD1 (Act 26)	Child support enforcement

SB1018, SD1, HD1, CD1	Licensing; private preschools
SB1210 (Act 20)	Family child care home; minors
SB1620, SD2, HD2, CD1	Health and human services; appropriations
SB1772, SD1, HD2, CD1	Medical assistance; disclosure of applicant's employer
SB1780, SD2, HD2, CD1	State Commission on Fatherhood
SB1872, HD1, CD1	Palolo Chinese Home; SPRBs

HOUSE BILL(S)

HB140, HD1, SD2, CD1	TANF funds; public input
HB582, HD1 (Act 32)	Missing Child Center-Hawaii
HB1060, HD2, SD2	Federally qualified health centers and rural health clinics
HB1146, HD1, SD2	Civil service; preserve social worker series classifications
HB1317, HD1, SD1, CD1	Medicaid; Department of Human Services

SENATE CONCURRENT RESOLUTION(S)

SCR21	Federal housing assistance; affordable intergenerational housing
SCR79, SD1, HD1	Viable naturally occurring retirement communities; task force
SCR95	Kokua Council; 2005 model legislature
SCR128, SD1	Children of incarcerated parents; strengthen family bond; task force
SCR186, SD1, HD1	Humane alternatives; relocating homeless people
SCR227, SD1, HD1	Healthy start program; task force

HOUSE CONCURRENT RESOLUTION(S)

HCR58	Fiscal and management audit; department of Human Services' Use of TANF funds
HCR175, HD1	Pilot-public partnership program; Hawaii Association of Independent Schools and Hawaii Catholic Schools; private schools
HCR277	Healthy Start program; statewide interagency task force
HCR278	TANF budget information; website

SENATE RESOLUTION(S)

SR130, SD1	Healthy Start program; advisory board and planning task force
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Intergovernmental Affairs

SENATE BILL(S)

SB1478, SD1	State Fire Council; Federal grant funds administration
SB1685, SD2, HD1, CD1	Sharing of taxpayer information between the State and counties

HOUSE BILL(S)

HB78, HD1 (Act 5)	Fraudulent license plates prohibited
HB393, HD1, SD1, CD1	Unpaid county civil fines added to the taxes, fees, or charges of the county; Subordinate recorded lien
HB551, HD1, SD2, CD1	Public Meetings; Board Members; Permissible Discussion
HB864, SD1, CD1	Outdoor advertising; Airspace or waters beyond the boundaries of the county
HB1320, HD1, SD1, CD1	Retention of emergency 911 recordings by counties

Judiciary and Hawaiian Affairs

SENATE BILL(S)

SB615, SD1 (Act 12)	Small claims court; jurisdiction
SB617, SD1, HD1, CD1	Court interpreter services; court interpreting services revolving fund; appropriation
SB620, SD1	Interstate Compact for the Supervision of Adult Offenders; State Compact Administrator; Deputy Compact Administrators
SB621, HD1 (Act 48)	Traffic infractions; adjudication
SB673, SD2, HD2, CD1 (Act 55)	Claims against the State; appropriation
SB681 (Act 10)	Sexual conduct; repeal of duplicative definition
SB698, HD1 (Act 47)	Hawaii Criminal Justice Data Center; civil identification; frontal facial photograph
SB700, SD1, HD1, CD1	Nuisance abatement; standard of proof; protective order; civil and criminal contempt of court
SB708, SD2, HD2, CD1 (Act 45)	Sex offender registration; registration requirements; public access to registration information
SB780 (Act 16)	Hawaiian Homes Commission Act; transfer of lessee interest
SB1796, SD1, HD1, CD1	Criminal defendants; re-sentencing for first time drug offense
SB1864, SD1 (Act 36)	Judiciary computer system special fund; appropriation

HOUSE BILL(S)

HB119, HD1 (Act 13)	Elections; candidate nomination form
HB278, HD1, SD1, CD1	Victim restitution; increase in compensation fees; prioritizes order of payment of fees

HB313 (Act 17)	Misuse of 911 Emergency Telephone Service; misdemeanor offense
HB320, HD1, SD1, CD1	Ethics; disclosure of real property and business interests outside of Hawaii on financial disclosure statements
HB384, HD2, SD2, CD1	Attorney fees; court appointed counsel
HB447, HD1, SD1	Office of Hawaiian Affairs; control over disbursements
HB450, HD2, SD2	Office of Hawaiian Affairs Appropriations Act of 2005
HB460, HD2, SD1, CD1	Office of Elections employees; exemption from civil service and collective bargaining
HB496 (Act 18)	Petty misdemeanors; maximum penalties
HB497, HD1	Judiciary; write off delinquent receivables
HB500, HD2, SD2, CD1	Judiciary Appropriations Act of 2005
HB553, HD1, SD1, CD1	Uniform Information Practices Act; disclosure of agency opinions unless the disclosure would be an unwarranted invasion of privacy
HB685, SD1 (Act 49)	Wireless Enhanced 911 Board; membership
HB806, HD1, SD1, CD1	Criminal trespass; public parks and recreational grounds
HB894 (Act 14)	Elections; precinct chair; deletion of political party affiliation requirement
HB1221 (Act 22)	Statutory revision measure
HB1378, HD1, SD2, CD1	Family Court; temporary restraining orders; facts and rulings in a TRO proceeding may not be binding in other family court proceedings
HB1393, HD2, SD1, CD1	Commission on the Status of Women; transfer of functions and personnel to Department of Human Services
HB1413, HD1, SD1 (Act 53)	Hawaiian Homes Commission Act; private lenders; private mortgage insurance

HB1450, HD2, SD1	Civil Rights; prohibits discriminatory employment practices on basis of gender expression or identity
HB1453, HD1, SD1	Pet trusts; validity
HB1709, SD1, CD1	Aggravated criminal property damage; misdemeanor offense; penalties
HB1712, HD1, SD1	Elections; hiring of precinct officials and personnel; prohibits disclosure of voter registration information; appointment of poll watchers
HB1715, HD1, SD1	Civil rights; prohibits discrimination in real property and financial transactions based on gender expression or identity and sexual orientation
HB1733, HD2, SD2, CD1	Biological evidence; testing and collection of biological evidence from convicted felons, excluding juveniles
HB1740, HD1, SD2	Electronic voting; imposes requirements and safeguards if electronic voting systems are utilized
HB1745, HD1, SD2, CD1	Reports to the Legislature; elimination of specific reporting requirements on state agencies
HB1747, HD1, SD1, CD1	Campaign spending reform
HB1750, SD2, CD1	Community-based reintegration programs for female offenders; appropriation
HB1763, HD2, SD2, CD1	Hawaii Penal Code review

SENATE CONCURRENT RESOLUTION(S)

SCR141, SD1	Review classification of offenses of terroristic threatening and assault based on status of victim; task force review
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HOUSE CONCURRENT RESOLUTION(S)

HCR56, SD1	Legislative support for passage of Native Hawaiian Government Reorganization Act
HCR294, SD1	Analysis of causal relationship between wireless telephone usage and operation of a motor vehicle; LRB study

Labor

SENATE BILL(S)

SB55, SD1, HD2, CD1	Meal breaks
SB61, SD1	Wages; electronic pay stubs
SB294, SD3, HD1, CD1	Minimum wage law; increase
SB738, SD1, HD1, CD1 (Act 57)	ERS; compromise or settlement
SB807, SD1, HD1, CD1	Salaries; executive branch
SB813, SD2, HD2, CD1	Employment security; Reed Act funds; appropriation
SB817, SD2, HD1, CD1	Employment security law; acquisition or restructuring of a business; unemployment insurance contribution rates
SB944, SD1, HD1, CD1	Collective bargaining salary increases and cost items; bargaining units (1) and (10); appropriation
SB945, SD1, HD1, CD1	Collective bargaining salary increases and cost items; bargaining unit (5); appropriation
SB962, SD2, HD2, CD1	Prevailing wages; public work projects
SB1194, SD1, HD2, CD1	Deferred compensation plan; board of trustees; election and terms
SB1250, SD2, HD2, CD1 (Act 70)	Substitute teachers; classification and compensation schedule
SB1352, SD1, HD1, CD1	Collective bargaining; scope of negotiations

SB1579, SD1, HD1, CD1	Collective bargaining; contributions to the EUTF; bargaining units (1) and (10); appropriation
SB1580, SD1, HD1, CD1	Collective bargaining; contributions to the EUTF; bargaining unit (5); appropriation
SB1808, SD1, HD1, CD1	Workers' compensation law
SB1889, SD1, HD2, CD1	Apprenticeships; standards for agreements; apprenticeship council

HOUSE BILL(S)

HB180	Excluded employees; compensation and benefits packages
HB260, SD1, CD1	Collective bargaining; salary increases and cost items; contributions to the EUTF; bargaining unit (11); appropriation
HB263, SD1, CD1	Collective bargaining; salary increases and cost items; bargaining units (2), (3), (4), (6), (8), and (13); appropriation
HB325, SD2, CD1	Sick leave; family leave
HB631, HD1, SD2, CD1 (Act 58)	ERS; membership benefits
HB632 (Act 56)	ERS; actuarial equivalency of benefit options
HB1222, HD1 (Act 34)	Public employees; merit appeals board
HB1305, HD1 (Act 35)	Equal pay; task force
HB1318, HD1, SD1	Public employees; paid leave; bone marrow donor; organ donor
HB1528, HD2, SD2, CD1	Salaries; legislative service agencies
HB1548, HD1, SD1, CD1	EUTF; board of trustees; composition, terms and vacancies
HB1597, SD1, CD1	Collective bargaining; salary increases and cost items; bargaining unit (9); appropriation

HB1599, SD1, CD1	Collective bargaining; contributions to the EUTF; bargaining units (2), (3), (4), (6), (8), (9), and (13); appropriation
HB1608, HD1, SD2, CD1	Public employees; VEBA; health benefits
HB1614, HD1, SD2, CD1	DOE employees; civil service benefits
HB1758, HD1, SD1, CD1	Unemployment benefits; pension or retirement pay

SENATE CONCURRENT RESOLUTION(S)

SCR76, SD1	Social Security System; privatization
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HOUSE CONCURRENT RESOLUTION(S)

HCR265, HD1	DHRD; reinstatement of the social worker series
HCR270, HD1	Civil service exempt employees; report

Media, Arts, Science, and Technology

SENATE BILL(S)

SB1699, SD1, HD1, CD1	State Foundation on Culture and the Arts; appropriation
SB1702, SD1, HD2, CD1	High Technology Development Corporation; nonprofit corporation established

HOUSE BILL(S)

HB164, HD1, SD1, CD1 (Act 59)	Movie theaters; unauthorized audiovisual recording prohibited
HB283, HD1, SD1, CD1	Commission to honor Senator Hiram L. Fong; established; appropriation
HB712, HD2, SD2, CD1	Historic property, aviation artifacts and burial sites; criminal penalties established; civil and administrative violations established

HB1476, HD1, SD1, CD1

North Kohala historic sites; determination of buffer and public access adequacy; land acquisition

HB1657, HD1, SD1, CD1

Hoku Scientific; SPRBs

SENATE RESOLUTION(S)

SR25

Maui County; centennial

Tourism

SENATE BILL(S)

SB1729, SD2, HD2, CD1

Transient accommodations tax revenues reallocation; Hawaii Tourism Authority board composition and voting

HOUSE BILL(S)

HB155, HD1, SD1

Time sharing omnibus; real estate broker or salesperson exemption; developer exemption

HB835, HD2, SD1

Time sharing plans; disclosure, and signage requirements

SENATE RESOLUTION(S)

SR15, SD1

Tourism carrying capacity study

Transportation and Government Operations

SENATE BILL(S)

SB73 (Act 3)

Motor carrier safety; inspection in month in which the certificate of registration is issued

SB74, SD1, HD1 (Vetoed 5/3/05)

Commercial driver's license for 18 year olds

SB76, SD1, HD1, CD1

Traffic violations; repeals minimum fine

SB77, SD1, HD1, CD1

Motor carrier identification card; mudguards

SB608, HD1 (Act 39)	Duty of physician, surgeon, hospital, clinic, etc. to report wounds clarified
SB960, HD1, CD1	Disaster Emergency Preparedness Act; appropriations
SB1038, SD2, HD1, CD1	Hawaii Procurement Institute; UH
SB1127, SD1	Hawaii Public Procurement Code; documentation by offerors; small purchases
SB1362, SD1, HD1, CD1	Abandoned vehicles disposition
SB1732, SD1, HD1, CD1	Local flood warning system; Lake Wilson; appropriation
SB1843, SD1, HD2, CD1	Hawaii Public Procurement Code; contracts for construction design professional services; indemnification
SB1876, SD2, HD2, CD1	Flexible highway design; liability; establishment of design guidelines

HOUSE BILL(S)

HB79 (Act 8)	Special number license plates transferable; revocation of organization's approval for lack of requisite amount of plates
HB81 (Act 28)	Motor carrier markings
HB85, HD2, SD2	Honolulu Harbor piers 1 and 2; transfer of jurisdiction to DOT
HB150, HD2, SD2, CD1	Driver licensing; provisional licenses; three-stage program; effectiveness study by DOT and DOH; report; sunset
HB437 (Act 33)	Driving under the influence of an intoxicant; clarification of penalties
HB438, HD1, SD2, CD1	Traffic offenses; pedestrians in crosswalks
HB465, HD1	Boards of registration; transfer to DAGS
HB502, HD1, SD2, CD1	Traffic offenses; minimum fine and clarification of existing fines for certain subsequent offenses
HB515, SD1	Government records; electronic format

HB555; Act 41	Electricity payments; emergency appropriation
HB919, HD1, SD2	Use of intoxicants while operating a vehicle; repeat offenders; vehicle forfeiture
HB1309, HD2, SD2, CD1	County surcharge on excise tax; county option; mass transit funding
HB1556, HD1, SD1, CD1	PLK Air Services Group, LLC; SPRBs

SENATE CONCURRENT RESOLUTION(S)

SCR27, SD2	Traffic conditions in South Kona; DOT study; report
SCR48	Mililani Mauka; alternate route of ingress and egress; OMPO Study; report
SCR96	Senior transportation options development; county strategic plans; report
SCR106, SD2, HD1	Hawaii public procurement code; joint legislative task force; report
SCR221, SD1, HD1	Update of Hawaii Commercial Harbors 2020 Master Plan; study of current and anticipated harbor uses on Oahu; report

SENATE RESOLUTION(S)

SR23	Mililani Mauka; alternate route of ingress and egress; OMPO Study; report
SR53	Walking and bicycling; recognition by State and counties as fundamental means of recreation and transportation
SR58, SD1	DOT evaluation of existing traffic conditions in Hawaii County to minimize existing and future traffic problems
SR83, SD1	Commercial harbors; safe use; update of administrative rules; compliance with the HOST minimum tug recommendations; local tug service providers to ensure that modern tugs with adequate power are stationed in the neighbor island ports

SR127, SD1

Update of Hawaii Commercial Harbors 2020 Master Plan; study of current and anticipated harbor uses on Oahu; report

Water, Land, and Agriculture

SENATE BILL(S)

SB212, SD2, HD2, CD1

Reverse vending machine program; redemption center and recycling infrastructure improvement program; standards

SB669, SD2, HD1, CD1

Animal quarantine facilities; authority to contract or rent unused facilities

SB956, SD1, HD1, CD1 (Act 64)

Agricultural inspections; imported commodities; invasive species

SB1267, SD2, HD2, CD1

Shark monitoring; tag and monitor; Leeward coast of Oahu

SB1451, SD2, HD1, CD1

Comprehensive watershed management plan; Lake Wilson

SB1592, SD1, HD2, CD1

Hawaii 2050 task force; sustainability plan

SB1680, SD1 (Act 9)

Board of Land and Natural Resources; changing board qualifications

SB1877, HD1, CD1

DBEDT jurisdiction; Office of Planning; appointment of director

SB1883, SD2, HD1, CD1

Miloli'i fisheries management area; creating

SB1891, SD2, HD2, CD1

State small boat harbors; moorage fee increase

SB1903, SD1, HD1, CD1

Seawater air conditioning district cooling system; PUC regulation

HOUSE BILL(S)

HB98, HD2, SD1

Prohibits net fishing in Kahului Harbor; exceptions for throw, opae, crab, and nehu nets.

HB109, HD1, SD2, CD1	Golf courses and golf driving ranges; rural and agricultural districts; county boundary review studies.
HB125, HD2, SD1, CD1	Hawaiian outrigger canoes; storage on state shoreline areas; permits
HB168, HD2, SD1, CD1	Agricultural research and development; Hawaii Farm Bureau Federation; appropriation
HB852, HD2, SD2, CD1 (Act 68)	Business or development-related permit, license, or approval process; extensions
HB1154, HD1, SD2 (Act 63)	Home-based agricultural honey; exemption from certified processing requirements
HB1201, HD2, SD2, CD1	Agricultural commodities and livestock; second degree theft
HB1202, HD2, SD2, CD1	Agricultural lands; second degree trespassing
HB1238, HD1, SD2, CD1	Seawater air conditioning projects on Oahu; Honolulu Seawater Air Conditioning LLC; SPRBs
HB1276, HD3, SD1, CD1	Public access; indemnity and defense agreements with DLNR
HB1308, HD1, SD2, CD1	Land conservation fund; permanent funding from the conveyance tax
HB1640, HD3, SD2, CD1	Important agricultural lands; identification; designation
HB1641, HD1, SD2, CD1	Non-agricultural park lands special fund; established
HB1659, HD1, SD1, CD1	Private residential noncommercial piers leases; extension

SENATE CONCURRENT RESOLUTION(S)

SCR51, SD1	Shoreline certification; shoreline setbacks; review and analysis
SCR100	Federal community development block grant program; support from Hawaii's congressional delegation

SCR134, SD1, HD1	Keeki Small Boat Harbor; Honolulu Marine, Inc.; commercial ship repair facility
SCR137, HD1	Coastal Zone Management program; Hawaii ocean resources management plan; update and implement
SCR143	Artificial reefs; scrapped federal ships
SCR177, SD1	Kawai Nui Marsh; federal, state, and county agencies to work to resolve land ownership issues
SCR178, SD1, HD1	Waiahole valley; Housing Community Development Corporation of Hawaii and Department of Hawaiian Home Lands transfer
SCR208, SD1, HD1	Encourage support for Hawaii's agricultural community in diversified agriculture industry

HOUSE CONCURRENT RESOLUTION(S)

HCR5, HD1, SD1	South Kona-Ka'u coastal conservation; DLNR task force; establishment
HCR88, SD1	Ahihi-Kinai natural area reserve; restrictions on public access
HCR165	Estate grown Hawaii noni; supporting and encouraging consumers to purchase locally grown noni
HCR200, HD1, SD1	DLNR Division of Conservation and Resources Enforcement; financial and management audit
HCR262, HD1	Real estate appraisals; state agricultural leases; income capitalization approach; pilot program
HCR267, HD1	Preserving Hawaii's marine resources; community meetings
HCR293, HD1	Commission on Water Resource Management; constitutional and statutory mandate to protect instream uses

SENATE RESOLUTION(S)

SR20	Moanalua Gardens and Kamananui valley; Damon Estate; endowment to Moanalua Gardens Foundation
SR26, SD1	Non-native game animals; methodologies for controlling populations; working group review
SR27, SD1	Shoreline certification; shoreline setbacks; review and analysis
SR51, SD1	Kawainui Marsh complex; national park status; urge Hawaii's congressional delegation to support
SR75	Coastal Zone Management program; Hawaii ocean resources management plan; update and implement
SR76, SD1	DLNR state boating Facilities; management; audit update
SR81	Artificial reefs; scrapped federal ships
SR114	Molokai irrigation system; management evaluation; DOA and legislative working group
SR115, SD1	Encourage support for Hawaii's agricultural community in diversified agriculture industry
SR129, SD1	Genetically engineered crops; Hawaii Biotechnology Forum; convening stakeholders for crops on island of Kauai

Ways and Means

SENATE BILL(S)

SB460, HD1	Tax appeals procedures; claims for refunds
SB543 (Act 1)	Legislative expenses; appropriation
SB834, SD2, HD1 (Act 60)	State income tax conformity to Internal Revenue Code
SB840, SD1 (Act 27)	Employer withholding of income tax; remittance on semi-weekly schedule

SB842, SD1 (Act 23)

Income tax withholding; disposition of real property by nonresident persons; definition of "resident person" clarified

HOUSE BILL(S)

HB100, HD1, SD1, CD1

State budget

HB624, SD1 (Act 24)

Public employees; collective bargaining cost items; emergency appropriation

HB1224, SD1, CD1

Streamlined sales and use tax agreement; compliance by seller; advisory council repeal; proposed 2006 legislation; Auditor appropriation

HB1235, HD1, SD1, CD1

Legislative travel allowances; rates clarified

HB1236, SD1, CD1

Legislative allowance; increase in incidental expenses

HB1462, SD1, CD1

Sexual violence prevention and treatment programs placed under Attorney General; voluntary environmental response action law clarified

HB1666, HD1, SD1 (Act 61)

Uniformed security function transfer to Hawaii Health Systems Corporation

HB1668, SD1, CD1

Debt limit on GO bonds authorized for General Appropriations Act and Judiciary Appropriations Act

HB1672, SD1, CD1

Grants and subsidies; quarterly notice by Governor of unreleased or unallocated funds to recipient

